Schlumberger UK Pension Scheme

Chair's Annual Governance Statement

1 January 2023 – 31 December 2023

Introduction

This Statement has been prepared by Schlumberger Trust Company Limited, the Trustee of the Schlumberger UK Pension Scheme ('the Scheme') in order to demonstrate how the Scheme has complied with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015[1]. This Statement applies to both the Personal Money Fund, the defined contribution element of the Final Salary Benefit (FSB) section ('Blue Section') and the Defined Contribution section ('Orange Section') of the Scheme. All defined contribution ("DC") benefits under the Scheme are referred to as the PMF. Details of legacy Additional Voluntary Contribution ('AVCs') arrangements are also included in this Statement.

During the Scheme year, the sponsoring employer, SLB, undertook a consultation with active employees to unify its pension benefit strategy across all UK employees. Proposals included a significantly revised contribution structure and the introduction of a new DC Master Trust arrangement for all future DC pension contributions and potentially, the transfer of members' accrued PMF benefits under the Scheme.

A joint working group was set-up with representatives from SLB and Trustee to evaluate the Master Trust market and select the most suitable provider. The Trustee's focus was to ensure that a bulk transfer of PMF assets from the Scheme would be in the members' collective interests – the Trustee took appropriate advice in this regard, with due consideration of the DWP's best practice guidance for bulk transitions of this type.

An extensive competitive tender process culminated in the selection of LifeSight as SLB and Trustee's preferred Master Trust provider. Following a consultation period, new DC pension contributions for active employees ceased to be made to the Scheme and were instead made to LifeSight from 1 December 2023. The bulk transfer of members' PMF assets from the Scheme to LifeSight for all members was successfully completed in February 2024.

Following the transfer of the PMF assets, the Scheme is no longer considered to be a 'relevant scheme' under the legislation and there is no statutory requirement for the Trustee to complete a Chair's Annual Governance Statement going forwards. Therefore, this Statement to provide members with an overview of activity throughout 2023 will be the Scheme's last one.

General investment principles

The Trustee's general investment principles throughout 2023 were as follows:

1. To offer a suitable default investment strategy appropriate for the profile of members that did not make an investment decision, taking into account their expected risk tolerances while optimising investment returns; and

2. To supplement this with a range of suitable self-select investment options (including alternative self-select lifestyle strategies) which offered sufficient investment choice to satisfy members' differing risk appetites and risk profiles, and retirement objectives.

Investment strategy – relating to the Scheme's default investment option

Although members had the choice of where to invest, the Trustee also had to make available a default investment option (default strategy) for those members who did not make an investment decision on joining the Scheme.

The objective of the default strategy was to generate capital growth over the long term through exposure to equities and diversified assets providing an appropriate balance between risk and return. In the seven years prior to retirement, the strategy aimed to reduce the volatility of the member's expected pension fund by increasing the allocation to bonds and other high quality credit instruments with a proportionately lower allocation to growth seeking assets. The strategy was designed on the basis that the majority of members were likely to aim to maintain a level of investment growth at retirement age and move the majority of their PMF to a drawdown arrangement that allowed members to take income as and when required.

The Trustee's investment policy and Statement of Investment Principles (SIP) has been updated to reflect that there are no longer any PMF assets in the Scheme and no default investment option. The updated SIP (covering DB investment policy only) can be viewed online at https://epa.towerswatson.com/accounts/slb/public/schlumberger-uk-pension-investment-principles/

Strategic review

The last strategic triennial review of the Scheme's default strategy and self-select funds range was completed with the Trustee's investment advisers and agreed by the Trustee in November 2021. There will be no further triennial review as the PMF assets have all now transferred out of the Scheme.

Following its 2021 review, the Trustee was satisfied that the default strategy was meeting its objectives and the switching glidepath profile for the Drawdown Lifestyle remained appropriate for members. The review did highlight the potential to improve the risk/return profile of the Drawdown Lifestyle further by introducing Environmental, Social and Governance (ESG) tilted investments into the equity portfolio and refining the asset composition of the final stage of the consolidation phase. Accordingly, in October 2022, an allocation to an ESG tilted global equity fund was introduced into the Global Equity Fund and a new Asset Backed Securities Fund replaced the Cash Fund within the final stage of the consolidation phase – all assets in the Cash Fund within the Drawdown Lifestyle were automatically switched to the Asset Backed Securities Fund at this time.

During the same period, the Trustee took the opportunity to introduce several new self-select funds (Shariah, High Yield Credit and Asset Backed Securities).

Investment considerations on transfer to LifeSight

The Trustee and its advisers worked jointly with SLB to evaluate the investment options available through LifeSight and ensure members' investments were transferred to suitable funds. This included an in-depth analysis of the most suitable default option and the subsequent creation of a bespoke drawdown glidepath for SLB members in LifeSight. The Trustee also carefully considered the wider investment options available within LifeSight and was able to match the majority of members' self-select investments options. Broadly, members were automatically mapped to the new default drawdown glidepath but were given the option instead to select the equivalent self-select investment options to the ones in which they were invested in the Scheme. The exceptions to this were members of the Shariah Fund who were mapped to the equivalent fund in LifeSight to ensure their investment requirements continued to be met, and members who were very close to their expected retirement age and targeting a cash or annuity income who were mapped to cash and annuity glidepaths respectively. The asset transition was supported by a comprehensive member communications strategy.

Regular investment monitoring

During the reporting period, the Trustee delegated detailed investment oversight to Schlumberger Common Investment Fund Limited (SCIFL) but also maintained an investment sub-committee to carry out appropriate monitoring. SCIFL and the Trustee took advice from professional investment advisers to ensure that they had the appropriate knowledge, competency and experience to manage the Scheme's assets.

The Trustee regularly reviewed the underlying performance of the funds within the default strategy, the alternative lifestyle strategies and the self-select funds. SCIFL prepared detailed quarterly reports for the Trustee on the performance of the investment managers against the agreed benchmarks that are set out in the Statement of Investment Principles. This enabled the Trustee to review performance of the funds in conjunction with its investment advisers.

The Trustee would note that 2023 showed a positive rebound for investments compared with the challenging period in 2022. Significantly improved returns were recorded across all asset classes. All of the Scheme's funds had positive absolute returns and exceeded or were closely aligned to their benchmark for the 12 month period in 2023.

Investment returns

The supporting statutory guidance requires trustees to set out the investment returns net of any charges. Over the reporting period, members did not pay any charges associated with investing in the Scheme's funds other than in respect of the legacy AVCs acquired by the Scheme mid-2022 – see the 'Charges and transaction costs' section for more details.

In reporting the investment returns, the Trustee has reviewed and taken account of the DWP's Statutory Guidance in this area.

Default strategy

Members invested in the default strategy were in the 'Drawdown Lifestyle'. This invested in several underlying funds, the proportion of assets in each depending on the number of years until the member's Target Retirement Age (TRA).

Therefore, we have provided the investment returns at a range of ages based on the Scheme's Normal Retirement Age (NRA) of 60. The performance information had been derived from the proportion of assets invested in each underlying fund at that age.

Fund	5 years (% pa)		3 years (% pa)		1 year (%)	
	Fund	BM	Fund	BM	Fund	BM
Drawdown Lifestyle – age 25	9.4	9.8	7.6	8.3	15.2	15.0
Drawdown Lifestyle – age 45	9.4	9.8	7.6	8.3	15.2	15.0
Drawdown Lifestyle – age 55	9.1	9.0	7.0	8.5	13.9	13.5
Drawdown Lifestyle – age 60	5.9	6.2	3.3	4.0	9.3	8.5

Please note that this information is based on a Target Retirement Age (TRA) of 60, the Scheme's Normal Retirement Age (NRA). If a member has selected a different TRA, the returns experienced may be different.

Additional default fund*

Fund	5 years (pa)		3 years (pa)		1 year	
	Fund	BM	Fund	BM	Fund	BM
Balanced Multi-Asset Fund	5.8	5.1	2.0	1.0	10.3	9.5

BM = Benchmark.

**The Balanced Multi-Asset Fund is considered a default option because of a historic non-member consent switch of investments to this Fund for a handful of members.*

Alternative lifestyle strategies

Fund	5 years (% pa)		3 years (% pa)		1 year (%)	
	Fund	BM	Fund	BM	Fund	BM
Annuity Lifestyle – age 25	9.4	9.8	7.6	8.3	15.2	15.0
Annuity Lifestyle – age 45	9.4	9.8	7.6	8.3	15.2	15.0
Annuity Lifestyle – age 55	9.1	9.4	7.2	7.7	14.4	13.9
Annuity Lifestyle – age 60	3.7	3.2	-0.4	-1.1	7.8	6.5
Cash Lifestyle – age 25	9.4	9.8	7.6	8.3	15.2	15.0
Cash Lifestyle – age 45	9.4	9.8	7.6	8.3	15.2	15.0
Cash Lifestyle – age 55	9.1	9.4	7.0	7.7	13.9	13.5
Cash Lifestyle – age 60	5.5	5.4	3.5	3.5	5.8	5.1

BM = Benchmark.

Please note that this information is based on a Target Retirement Age (TRA) of 60, the Scheme's Normal Retirement Age (NRA). If the member has selected a different TRA, the returns experienced may be different.

Self-select funds

Fund	5 years (% pa)		3 years (% pa)		1 year (%)	
	Fund	BM	Fund	BM	Fund	BM
Global Equity Fund	12.8	12.3	9.3	8.9	16.9	16.6
UK Equity Fund	6.8	6.6	8.5	8.5	7.6	7.9

Global ESG Equity Fund*	-	-	-	-	13.0	15.1
Balanced Multi-Asset Fund	5.8	5.1	2.0	1.0	10.3	9.5
Index-Linked Gilts Fund	-4.6	-4.8	-12.8	-13.2	0.9	0.3
Core Bond Fund	0	-1.1	-5.6	-6.8	7.6	6.1
Consolidated Fund	2.3	3.3	2.2	3.7	6.3	5.8
Cash Fund	1.6	1.3	2.3	1.9	5.3	4.6
Shariah Fund*	-	-	-	-	19.5	16.9
High Yield Credit Fund*	-	-	-	-	10.8	7.5
Asset Backed Securities Fund*	-	-	-	-	7.6	5.7

**Funds launched in 2022, only one year performance available.*

BM = Benchmark.

Further details on the Scheme's external AVC funds' investment performance are included within the appendix. Please refer to the 'Charges and transaction costs' section for further supporting information.

Asset allocation assessment

The Trustee was required to assess and report on the allocation of assets in each default arrangement. The results are shown below:

Drawdown Lifestyle

	Percentage allocation – average 25 years	Percentage allocation – average 45 years	Percentage allocation – average 55 years	Percentage allocation – average 60 years
Global Equity	85%	85%	75%	28%
Semi-liquid credit	15%	15%	10%	10%
Global Bonds	-	-	10%	25%
Index Linked Gilts	-	-	5%	12%
Global Credit	-	-	-	25%

Balanced Multi-Asset Fund (BMAF)*

	Percentage allocation
Global Equity	40%
UK Equity	23%
UK Index-linked Gilts	19%
UK Corporate bonds	9%
UK All-Stocks Gilts	9%

**The Balanced Multi-Asset Fund (BMAF), a default arrangement under regulations, is a single fund and therefore the asset allocation is independent of member age.*

On reporting the results of the asset allocation assessment, the Trustee considered the relevant guidance issued by the Secretary of State.

Financial transactions

The Trustee has appointed Willis Towers Watson Limited (WTW) to provide administration services for the Scheme.

WTW operates a dedicated administration team to service the Scheme (the Pension Administration Team). All administration tasks were logged and automatically monitored by a workflow system that is managed by a senior member of the team. To help ensure work is accurate, complex administration tasks completed were peer reviewed. Time critical financial transactions were flagged and prioritised. WTW had a separate contribution processing team (the Cash Management Team) that ensures investment and banking transactions were checked and fully reconciled. There was also a separate Treasury Team at WTW that monitored the Trustee's bank account on a daily basis.

Processing core financial transactions

Prior to the transfer of the PMF assets to the new Master Trust, the Trustee had an agreed Service Level Agreement (SLA) in place with WTW, which defined the agreed targets for the accurate completion of core financial transactions (such as contribution investments, investment switches, transfers and benefit payments) and all other Scheme administration tasks.

The table below shows a selection of core administration tasks and the agreed SLA the Trustee had in place with WTW:

Service Level Agreement (core tasks)

Task	SLA (days)
Contribution investment	5
Investment switches	5
Transfer-out payments	5

Task	SLA (days)
Benefit payments	5
Death payments	4
New entrants	5

SLAs were initiated from the point when all required information was received to process the task. The full range of tasks is extensive with SLAs between one and 20 days depending on the time sensitivity and complexity of the task. WTW aimed to complete at least 95% of administration tasks within SLA.

The Pension Administration Team Leader reviewed a workflow planning report on a daily basis to identify cases that are due to be processed. All priority cases identified from this report were highlighted to the Pension Administration Team to ensure in particular that core financial transactions were processed in a timely manner.

Monthly contributions were paid into the Trustee bank account by SLB at the end of each month (November's being the last over the reporting period). The investment fund units purchased from these contributions were allocated and the funds reconciled between the fourth and seventh of the following month. The total amount of contributions due was checked against the cash received in the Trustee bank account each month by the Treasury Team at WTW; any discrepancies are reported by the Treasury Team to SLB's 'in house' Pensions Team and followed up promptly by WTW with SLB's Pension Team until resolved. The Cash Management Team undertook monthly reconciliations between contribution remittance and the payment schedule; any exceptions identified were reported and followed up promptly by the Team Leaders. In addition, as part of the Audit and Assurance Faculty (AAF) audit of WTW's administration controls and processes (which covered the period from 1 October 2022 to 30 September 2023), WTW's Auditor's (KPMG) reported that its review of the Control Activities provided reasonable assurance that objectives were achieved over the period.

The processing of investment switches and transfers-in were fully automated via straight-through processing. Retirement and death claim payments, transfers-out and contribution processing were predominantly automated, with some manual oversight to facilitate checks and reconciliations.

WTW prepared detailed reports of performance against SLAs that were evaluated by the Trustee on a quarterly basis. These reports included full asset reconciliations, notification of any errors (and remedial actions) and commentary on any member complaints. This supported the Trustee in the effective monitoring of the SLA performance level.

Over the reporting period, case work was generally higher than experienced over 2022. Overall quarterly performance against SLAs ranged from 96% (Q1 & Q2) to 98% (Q3 & Q4). This represents a consistent strong performance and a slight improvement on last year.

In addition to the formal quarterly administration monitoring process, the SLB Pensions Team held weekly calls with the WTW Pension Administration Team to monitor and resolve any administration issues at an early stage.

Member data

WTW has continued to work closely with the SLB Pensions Team on data cleansing activities, specifically ensuring that common and conditional member data was correct – particularly in view of the bulk transfer to LifeSight. The latest reported common data score (April 2023) was 90.63% and the latest conditional scheme specific data score was 93.05%. This represents a modest improvement on the scores reported last year.

Conclusion

There were no material administration issues arising over the Scheme year. Based on this and the Trustee's regular monitoring of administration performance, the service levels achieved and their accuracy, the Trustee is satisfied that the Scheme's core financial transactions were processed promptly and accurately during the Scheme year.

Charges and transaction costs

All PMF investment and administration costs were met by the Scheme sponsor on behalf of members. Members did not pay any charges. This was a defining feature of the Scheme in which all the members' DC assets were invested.

All transaction costs associated with the bulk transfer to LifeSight were met by LifeSight.

In June 2022, the Cameron Iron Works Retirement Benefits Plan (1974) was merged into the Scheme. As a result of this transaction, the Scheme acquired a small portfolio of legacy Cameron Iron Works Retirement Benefits Plan Additional Voluntary Contribution (AVC) policies. These external AVC policies are with Prudential and have only a handful of members. They are the only DC elements of the Scheme where members paid charges. They are closed to future contributions. The Trustee has continued to monitor these AVCs and is in the process of evaluating their continued future suitability.

Details of the available costs and charges, including transactions costs are set out in Appendix B to this Statement.

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 require the Trustee to produce a 'pounds and pence' illustration showing the compounded effect of costs and charges. Recognising this, the Trustee has prepared illustrations in respect of the AVCs it holds with Prudential and this can be found in Appendix C. The Trustee has not prepared a 'pounds and pence' illustration for the main fund range under the PMF as members did not pay any costs in relation to these funds.

Trustee Knowledge and Understanding (TKU)

During the reporting period, Law Debenture was appointed as a professional corporate sole director of the Trustee (November 2023). The TKU summary below concentrates on the period up to Law Debenture's appointment. However, Law Debenture has a comprehensive training programme for its directors and other staff.

The Trustee maintained a TKU process that enabled it, together with professional advice, to exercise its function as Trustee of the Scheme. Collectively, the training programme ensures the Trustee Directors:

- Maintained sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to funding and investment.

- Had a working knowledge of the trust deed and rules, the SIP and all other associated documents setting out the Trustee's current policies.

The Trustee last undertook a formal TKU self-assessment in February 2022. This assessment was facilitated by the Trustee's advisers, WTW. The results of the assessment demonstrated an improvement in collective knowledge across all the areas assessed, when compared to the previous exercise undertaken in 2019. The majority of topics recorded a collective level of 'good' or 'reasonable' knowledge. Where specific areas within each topic were identified as not as strong, or where there is a large variance of individual understanding of a particular subject, this was used by the Trustee's advisers to construct a training plan for 2022 and into 2023.

In the event, the Company's proposal to move to a Master Trust shaped most of the Trustee's training needs for the reporting period. Over the reporting period, key training included:

Topic	Date	Provider	Overview
Master Trusts	9 February	WTW	UK Master Trust market & DWP guidance for bulk DC transfers
Master Trusts	10 May	Keystone Law	Legal considerations of a transition to Master Trust

The Trustee's wider approach to meeting the TKU requirements also included:

- Maintenance of a Business Plan and a set of Key Performance Indicators (KPIs), which incorporates a framework for the Trustee's self-evaluation of performance and identification of any pertinent knowledge gaps by reference to the Pensions Regulator's Trustee toolkit. This process was collectively used as the basis for confirming that the Trustee and its advisers were properly performing their respective duties and also drove the agenda for formal training over the year. Over the Scheme year the Trustee reviewed its activities against the Business Plan at each Board meeting to ensure it remained on track to meet its objectives. This included work relating to further development of processes to adhere with the Regulator's draft consolidated Code of Practice, addressing Board competency and diversity.

- In February, the Trustee commissioned WTW to support a review of its ongoing effectiveness. Each Director was invited to assign a score to various criteria across Trustee and Scheme operational aspects, covering Board composition, decision making, meetings, review and Chairing of meetings, amongst other items. The results were very positive, with improvements in all areas from the last review in 2019. The review included several recommendations to fine tune current processes and it was agreed these would be considered once the Regulator's consolidated General Code of Practice had been finalised.

- New Trustee Directors' needs are assessed, with appropriate training provided within the first six months, typically in conjunction with the Scheme's advisers. There were two new Directors appointed over the reporting period. Ms Donohoe, who attended her first Trustee Board meeting in May 2023.and Ms Labbe who attended her first meeting in February 2023. Law Debenture, a professional independent trustee firm represented by Lynne Rawcliffe and Robert Thomes, was also appointed as a Director of the Trustee Board in February 2023.

- Training from advisers on topical items was provided quarterly in the form of 'hot topics' updates – with pertinent areas of focus highlighted. These areas were presented by advisers at Board meetings where Trustee Directors had the opportunity to ask questions and gain greater insight into the areas covered.

- All training and attendance at appropriate seminars were recorded within the minutes of the Board's quarterly meetings and within the SUKPS Trustee Training Log.

- Key Scheme documents were reviewed by the Trustee and its advisers in line with the Business Plan schedule or sooner if required for a specific reason.

- All Scheme documents, including documents setting out the Trustee's current policies and meeting papers etc. were available on a dedicated online Trustee site (OnePlace), to which all Trustee Directors had direct access.

- All established Trustee Directors had completed the Pensions Regulator's trustee toolkit including the new module on pension scams.

- All Trustee Directors were encouraged to complete 15 hours of additional training per year (this was logged by the Trustee Secretary, actively monitored and reported on annually as a KPI).

- When considering Scheme design change, or ensuring legislative requirements are met, the Trustee consulted the Scheme's Trust Deed & Rules and associated documents and took appropriate professional advice. An example of this over the reporting period was working closely with its advisers, Isio and Keystone Law, to consider and evaluate the Company's proposal to move all PMF assets to the LifeSight Master Trust.

The Trustee also monitored effectiveness against the Scheme's objectives by reviewing the Business Plan at each Trustee meeting, encouraging Trustee Director feedback and suggestions.

The Trustee is confident that the framework documented in this section of the Statement, in conjunction with the appropriate professional advice from its advisers, provided it with sufficient combined knowledge and understanding to properly exercise its function as Trustee of the Scheme.

This Chair's Annual Governance Statement was approved by the Trustee and Signed by the Chair on behalf of the Trustee of the Scheme:

Date: 25 July 2024

Appendix A: Prudential AVCs investment performance

The following investment returns of the Scheme's AVC funds over the reporting period. In reporting the investment returns, the Trustee has reviewed and taken account of the DWP's Statutory Guidance in this area.

Name	5 years (% pa)	1 year (%)
	Fund	Fund
Prudential S3 UK Equity Pen	4.8	6.1
Prudential S3 Global Equity Pen	6.3	8.1
Prudential With-Profits Cash Accumulation Fund*	1.2	1.5
Prudential S3 Fixed Interest Plan	-2.9	4.2
Prudential S3 Index-Linked Pen	-4.7	0.6
Prudential Discretionary Pen	5.0	8.3

Notes

Perfromance information has been sourced from Prudential.

**With-profits returns do not include final bonuses to date. Prudential note final bonuses may vary and are not guaranteed.*

The returns shown are to 31 December 2023 and net of fees.

Appendix B: Prudential AVCs costs and charges information

The below **charges** comprise Annual Management Charges (AMCs) plus any additional fund expenses, such as custody costs, but exclude transaction costs; this is also known as the Total Expense Ratio (TER). The TER is paid by the members and is reflected in the unit price of the funds. The Trustee has taken account of the statutory guidance in providing this information.

The Trustee is also required to separately disclose **transaction cost** figures that are paid by members within the unit price of the funds. In the context of this Statement, the transaction costs shown are those incurred when the fund managers buy and sell assets within investment funds. All of the below figures have been provided by Prudential.

Fund	Charges % p.a.						Transaction costs %
	AMC	+	Expenses	=	TER		
Prudential UK Equity	0.75	+	0.01	=	0.76		0.29
Prudential Global Equity Pen	0.75	+	0.02	=	0.77		0.18
Prudential S3 Fixed Interest Pen	0.75	+	0.01	=	0.76		0.10
Prudential S3 Index-Linked Pen	0.75	+	0.01	=	0.76		0.14
Prudential S3 Discretionary Pen	0.75	+	0.02	=	0.77		0.12

Please note Prudential does not explicitly disclose cost and charges information for the With-profits Cash Accumulation Fund. The Trustee will continue to work with its advisers to seek and obtain this information for future disclosures.

A zero cost has been used where there are negative transaction costs (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold). It is not expected that transaction costs will always be negative. It is important to note that using a negative or zero cost during any one scheme year may not accurately represent the actual transaction costs a member may expect to see in any future scheme year.

Appendix C - Illustration of the effect of costs and charges on a member's external Prudential AVC pension pot in today's terms

The illustration overleaf has been prepared in accordance with the relevant statutory guidance and reflects the impact of costs and charges for members who hold AVCs with Prudential based on the fund with the highest charge and the fund with the lowest charge. The illustration is projected to a Normal Retirement Age (NRA) of 65.

The illustration shows the projected fund values in today's terms based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. The assumptions used are intended to model the behaviour of assets and market conditions over the long term. They are not meant to be reflective of the possible, or even likely, course of those investment markets in the short term. The return forecasts are not intended to imply, nor should be interpreted as conveying, any form of guarantee or assurance of the future performance of the funds in question, either favourable or unfavourable.

Example Member	Years to NRA	Prudential S3 UK Equity		Prudential S3 Fixed Interest Pen	
		Before charges	After charges	Before charges	After charges
Youngest member (Age 54)	1	£10,300	£10,200	£10,200	£10,100
	3	£10,800	£10,500	£10,500	£10,200
	5	£11,300	£10,800	£10,800	£10,300
	10	£12,800	£11,700	£11,600	£10,700
	11	£13,100	£11,900	£11,800	£10,800

Projected fund values are rounded to the nearest hundred.

Assumptions and notes

1. Projected pension account values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
2. Costs/charges are shown as a monetary amount and reductions are made halfway through the year.
3. Annual investment returns, less costs/charges are assumed to be applied at the end of the year.
4. Charges and costs are deducted before applying investment returns.
5. Inflation is assumed to be 2.5% each year.
6. No additional contributions are assumed.
7. Values shown are estimates and are not guaranteed.
8. The real projected growth rate for the Prudential S3 UK Equity is 2.5% p.a.
9. The real projected growth rate for the Prudential S3 Fixed Interest Pen is 1.5% p.a.
10. Transaction costs and other charges for the period have been provided by Prudential
11. Normal Retirement Age (NRA) is 65.

12. Example member
    - Youngest member (in line with statutory guidance): age 54, starting fund value: £10,000 (no further contributions)

Schlumberger UK Pension Scheme

Statement of Investment Principles ("SIP")

Purpose of this Statement

This SIP has been prepared by the Directors of the Schlumberger Trust Company Limited (the "Trustee"). This statement sets out the principles governing the Trustee's decisions to invest the assets of the Scheme.

The Scheme's investment strategy is derived from the Trustee's investment objectives. The objectives have been taken into account at all stages of planning, implementation and monitoring of the investment strategy.

The Statement covers the Defined Benefit section of the Scheme. The Trustee was previously responsible for a Defined Contribution section, however the investment arrangements were transferred to the LifeSight Master Trust in H1 2024. Therefore, these members and assets are now governed by the Trustees of the selected master trust and the Trustee of the Schlumberger UK Pension Scheme no longer bears any responsibility in relation to the governance of this section.

Governance

The Trustee of the Scheme makes major strategic decisions including, but not limited to, the Scheme's strategic asset allocation.

When making such decisions, and when appropriate, the Trustee takes proper written advice. The Trustee's investment advisers, Isio Group Limited, are qualified by their ability in, and practical experience of, financial matters, and have the appropriate knowledge. The investment advisers' remuneration may be a fixed fee or based on time worked, as negotiated by the Trustee in the interests of obtaining best value for the Scheme.

The Trustee has agreed to delegate some of its duties to the Schlumberger UK Common Investment Fund Limited ("SCIFL"). This is described in further detail under the "Investment Management Arrangements" section.

Investment objectives

The Trustee invests the assets of the Scheme with the aim of ensuring that all members' current and future benefits can be paid. The Scheme's funding position will be reviewed on an ongoing basis to assess the position relative to the funding target and whether the investment arrangements remain appropriate to the Scheme's circumstances. The Scheme's funding target is specified in the Statement of Funding Principles.

The Scheme's current portfolio is expected to achieve a return of around 1.5% per annum above the return on a liability matching portfolio of UK Government bonds.

Investment strategy

The Trustee takes a holistic approach to considering and managing risks when formulating the Scheme's investment strategy.

The Scheme's investment strategy was derived following careful consideration of the factors set out in Appendix B as well as advice received from the Trustee's advisers. The considerations include the nature and duration of the Scheme's liabilities, the risks of investing in the various asset classes, the implications of the strategy (under various scenarios) for the level of employer contributions required to fund the Scheme, and also the strength of the sponsoring company's covenant. The Trustee considered the merits of a range of asset classes.

The Trustee recognises that the investment strategy is subject to risks, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by regularly assessing the funding position and the characteristics of the assets and liabilities. This risk is also managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of minimising (as far as possible) volatility relative to the liabilities.

Leverage and collateral management

The Trustee will adhere to all relevant regulatory guidance and requirements in relation to leverage and collateral management within the Scheme's liability hedging (LDI) portfolio.

The Trustee has a stated collateral management policy, which can be found in Appendix D. The Trustee has agreed a process for meeting collateral calls should these be made by the Scheme's LDI investment manager. The Trustee will review and stress test this framework on a regular basis.

Investment Management Arrangements

The Trustee has agreed to participate in the Schlumberger UK Common Investment Fund Limited ("SCIFL"), a fund set up to manage the investments of a number of pension schemes within the Schlumberger Group. The Trustee reserves the right to stop participating in SCIFL at any time or to manage separately a portion of the Scheme's assets. It is the Trustee's policy to monitor SCIFL to ensure that it continues to be invested in suitable assets that are adequately diversified.

The Trustee communicates the strategic parameters to SCIFL, but has delegated the choice of investment managers to the Directors of SCIFL. Based on these parameters, the Directors will select appropriate managers to implement the agreed strategy. The Trustee will be notified of any proposed changes in the investment managers selected, by their investment advisor, Isio.

SCIFL may employ (or will employ) one or more investment managers in each of the following distinct roles:

- UK equities
- Global equities
- Bonds/ LDI
- Asset Backed Securities

- Property
- Private equity
- Distressed debt
- Hedge funds
- Semi-liquid credit
- Commercial real estate debt
- Direct lending

After obtaining advice on their suitability, SCIFL may invest in pooled funds or segregated portfolios for cash, bonds, equities, hedge funds, and property. SCIFL may also make commitments to limited partnerships for private equity, property, commercial real estate debt, direct lending and distressed debt.

Each underlying manager has a specific investment mandate and benchmark set by the Directors of SCIFL which, in aggregate, is consistent with the Scheme's overall objectives and against which their performance is measured.

The investment managers utilised by SCIFL are mandated to ensure appropriate diversification and suitability of investments. The Trustee ensures that the majority of assets are invested in regulated markets and that any allocation to unregulated markets is maintained at a prudent level.

All day-to-day decisions on the management of the assets has been delegated to SCIFL and to its appointed investment managers via written agreements. The delegation includes decisions about:

- Selection, retention and realisation of investments, taking into account all financially material considerations in making these decisions;
- The exercise of rights (including voting rights where applicable) attaching to the investments;
- Undertaking engagement with other stakeholders where appropriate.

The Directors of SCIFL take investment managers' policies into account when selecting and monitoring managers. The Directors also take into account the performance targets the investment managers are evaluated on. The investment managers are expected to exercise powers of investment delegated to them, with a view to following the principles contained in this statement, so far as is reasonably practical.

As the Scheme's assets are invested via SCIFL, the custody of the underlying holdings is arranged through SCIFL with Northern Trust appointed as custodian. The custodian provides safekeeping of the assets and performs all associated administrative duties.

Investment Manager Monitoring and Engagement

The Trustee monitors and engages with SCIFL on a variety of issues in relation to the investment management arrangements. The Trustee receives regular reports from SCIFL and the Scheme's appointed consultant.

SCIFL holds regular meetings with the investment managers and ensures that the managers are regularly reviewed, based on:

- the results of independent monitoring of their performance
- their investment process and administration
- compliance with the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005, where relevant.

The Trustee and SCIFL monitor and engage with the managers on a variety of issues. Below is a summary of the areas covered.

Areas for engagement	**Method for monitoring and engagement**	**Circumstances for additional monitoring and engagement**
Performance, Strategy and Risk	• The Trustee receives a quarterly performance report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustee meeting. • The Scheme's investment managers are invited, in person, to present to the Trustee or SCIFL on their performance, strategy and risk exposures.	• There are significant changes made to the investment strategy. • The risk levels within the assets managed by the investment managers have increased to a level beyond the Trustee's expectations. • Underperformance vs the performance objective over the period that this objective applies.
Environmental, Social, Corporate Governance factors and the exercising of rights	• The Trustee's investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues. These reports are summarised by Isio to SCIFL/the Trustee • Via SCIFL, the Trustee receives information from their investment advisers on the investment managers' approaches to engagement. • The Trustee will engage, directly, through SCIFL, or via their investment adviser, with investment managers and/or	• The manager has not acted in accordance with their policies and frameworks.

	other relevant persons about relevant matters at least annually.	

Through the engagement described above, SCIFL will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement.

Employer-related investments

The policy of the Trustee is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 except where the Scheme invests in collective investment schemes that may hold employer-related investments. In this case, the total exposure to employer-related investments will not exceed 2.5% of the Scheme's total asset value. The Trustee will monitor this on an ongoing basis to ensure compliance.

Direct investments

Direct investments, as defined by the Pensions Act 1995, are products purchased without delegation to an investment manager through a written contract. When selecting and reviewing any direct investments, SCIFL/ the Trustee will obtain appropriate written advice from their investment adviser.

Compliance

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before preparing or subsequently revising this Statement, the Trustee consulted the sponsoring company and took appropriate written advice. The Statement is reviewed at least every three years, and following any significant change in the investment arrangements.

Approved by the Directors of the Schlumberger Trust Company Ltd

Date: 9 September 2024

Appendix A – Strategic Benchmark

The Scheme's asset allocation is given below.

Asset Class	Allocation (%)	Asset Allocation of Portfolio (%)	Minimum and Maximum Variation (%)
Growth Portfolio	30.0		
Private Equity*		17.5	-/+5.0
Property		12.5	-/+2.5
Direct Lending		50.0	-/+5.0
Distressed Debt		10.0	-/+2.5
Commercial Real Estate Debt		10.0	-/+2.5
		100.0	
Matching Portfolio	70.0		
LDI and Cash		50.0	-/+5.0
Asset-backed Securities		37.5	-/+5.0
Sale Proceeds to be Reinvested*		12.5	-
Total		**100.0**	
	100.0		

*The Trustee has an allocation to a mandate where a sale has been agreed on the secondary market. As part of the terms of the sale, the Trustee has agreed to a deferred premium. Therefore, the Scheme currently holds assets in a mandate for which the Trustee is assuming zero investment return given a sale price has already been agreed. It is expected that the proceeds will be reinvested in the matching portfolio.

Appendix B – Risks, Financially Material Considerations (including ESG and climate change) and Non-financial matters

A non-exhaustive list of risks and financially material considerations that the Trustee has considered and sought to manage is shown below.

Risks	Definition	Policy
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	• Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the sponsoring company's covenant strength. • Investing in a diversified portfolio of assets.
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	• Funding risk is considered as part of the investment strategy review and the actuarial valuation. • The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Scheme.	• When developing the Scheme's investment and funding objectives, the Trustee takes account of the strength of the covenant ensuring the level of risk the Scheme is exposed to is at an appropriate level for the covenant to support.

The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, which are summarised below:

Risk	Definition	Policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 95% of these risks whilst ensuring compliance with all regulatory guidance in relation to leverage and collateral management.
Liquidity	Difficulties in raising sufficient cash when required without adversely	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and

	impacting the fair market value of the investment.	to meet regulatory guidance around providing collateral to the LDI.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria: 1. Responsible Investment ('RI') Policy / Framework 2. Implemented via Investment Process 3. A track record of using engagement and voting rights to address ESG risks factors appropriate 4. ESG specific reporting The Trustee monitors the managers on an ongoing basis.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Ongoing monitoring with investment advisor on the appropriate level of currency exposure and hedging.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments unless specifically requested as part of the evaluation criteria when selecting managers. However, the Trustee may take specific non-financial matters into consideration.

Appendix C – Investment Management Policies

The Trustee/SCIFL has the following policies in relation to the investment management arrangements for the Scheme:

How the investment managers are incentivised to align their investment strategy and decisions with the Trustee's policies.	• Via SCIFL, the Trustee has segregated arrangements with certain investment managers, thereby allowing investment managers to align their strategy with the Trustee's policies. The Scheme is also invested in some pooled funds where there is limited scope for these to tailor their strategy and decisions in line with the Trustee's policies - however, these selected funds are aligned to the Trustee's strategic objective. The Trustee invests in a number of mandates which are a subject to a performance-related fee.
How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.	• The Trustee/SCIFL reviews the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements. Managers that do not perform to the agreed criteria are challenged and may be removed. • The Trustee/SCIFL monitors the investment managers' engagement and voting (if applicable) activity on an annual basis as part of its ESG monitoring process. • Currently, the Trustee/SCIFL does not incentivise the investment managers to make decisions based on non-financial performance.
How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustee's policies.	• The Trustee/SCIFL reviews the performance of all of the Scheme's private market investments on a net of cost basis to ensure a true measurement of performance versus investment objectives. • The Trustee/SCIFL evaluates performance over the time period stated in the investment managers' performance objective, which is typically 3 to 5 years. • Investment manager fees are reviewed annually to make sure the correct amounts have been charged and that they remain competitive.
The method for monitoring portfolio turnover costs incurred	• The Trustee/SCIFL do not directly monitor turnover costs. However, the investment

by investment managers and how they define and monitor targeted portfolio turnover or turnover range.	managers are incentivised to minimise costs as they are measured on a net of cost basis.

The duration of the Scheme's arrangements with the investment managers	• The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.
	  ○ For closed-ended funds or funds with a lock-in period the Trustee/SCIFL ensures the timeframe of the investment or lock-in is in line with the Trustee's objectives and the Scheme's liquidity requirements.
	  ○ For open ended funds, the duration is flexible and the Trustee/SCIFL will from time to time consider the appropriateness of these investments and whether they should continue to be held.

Voting Policy - How the Trustees expect investment managers to vote on their behalf	• The Trustee acknowledges responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

Engagement Policy - How the Trustee will engage with investment managers, direct assets and others about 'relevant matters'	• The Trustee monitors the engagement policies that are implemented by the Scheme's investment managers on their behalf.
	• The Trustee and/or SCIFL, via their investment advisers, will engage with managers about 'relevant matters' at least annually
	• Example stewardship activities that the Trustee has considered are listed below:
	  ○ Selecting and appointing asset managers – the Trustee will consider potential managers' stewardship policies and activities.
	  ○ Asset manager engagement and monitoring – on an annual basis, the Trustee assesses the voting and engagement activity of their asset managers. The results of this analysis feeds into the Trustee's investment decision making.

Appendix D - Collateral management policy

At the time of writing, the Trustee is targeting a level of collateral sufficient to withstand a yield rise to exhaustion of

400bps held with the LDI manager.

The Trustee has agreed a default “collateral waterfall” of assets to be used to meet capital calls. The Trustee, in conjunction with SCIFL and its investment consultant, regularly reviews the level of assets in the collateral waterfall to ensure it remains appropriate as support for the level of liability hedging.

The Trustee will review their collateral management policy no less frequently than annually, or as soon as practical in the event of significant market movements. The Scheme’s collateral position is monitored daily by the LDI manager and is communicated to the Trustee at least monthly.

Trigger	**Action**	**Responsibility**
When collateral falls below 400 bps but is above 300bps.	LDI manager may, but is not required to, sell assets from collateral waterfall to restore coverage to 400bps.	LDI manager is responsible for monitoring trigger, LDI manager / Trustee are responsible for any actions.
When collateral falls below 300 bps	Assets are sold from below collateral waterfall to restore the buffer to at least 300 bps. The LDI manager and Trustee may agree a target to restore the collateral level to.	LDI manager is responsible for monitoring trigger, and the implementation of restoring collateral to at least 300bps. Trustee may decide to increase collateral buffer further.

The latest collateral waterfall is set out below. The mandates as part of this asset class are held with the same manager as the LDI mandate, leading to a lower governance burden on the Trustee.

Manager	**Asset Class**	**Dealing frequency**	**Notice period**	**Settlement period**
LDI manager	Asset Backed Securities	Daily frequency	T - 1	T + 3