

**E.ON UK GROUP OF THE ELECTRICITY SUPPLY PENSION
SCHEME**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2026**

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REPORT OF THE GROUP TRUSTEE

INTRODUCTION

This Annual Report and Financial Statements is produced by the Group Trustees for the members of the E.ON UK Group (“the Group”) of the Electricity Supply Pension Scheme.

The Electricity Supply Pension Scheme (“the Scheme”) is an industry-wide pension scheme. The Scheme has 22 (2025: 22) actuarially independent sections known as “Groups”. Each Group has its own Trustees and assets to fund the benefits of its members. Further information relating to the Scheme as a whole can be found in the Scheme Annual Report and Financial Statements.

The Scheme is an occupational pension scheme established under irrevocable trusts and its provisions are set out in the Clauses and Rules contained in the Scheme document. The Scheme is a registered pension scheme under the Finance Act 2004 and was primarily contracted out of the State Second Pension until 5 April 2016, when contracting-out ceased for all pension schemes to coincide with the introduction of new State Pension arrangements.

In the case of the E.ON UK Group, the Group provides for:

- Defined Benefit (“DB”) pensions, where benefits are based on a member’s salary and length of service; and
- Defined Contribution (“DC”) pensions, where benefits are based on what a member’s accumulated fund value will purchase at retirement.

The Group has eleven benefit categories which include four former Groups of the Electricity Supply Pension Scheme (Powergen, East Midlands Electricity (EME), Eastern and Midlands) as well as the EME Pension Plan (EMEPP), the Retirement Balance Plan (RB Plan), the Midlands Electricity Pension Scheme (MEPS), the Eastern Group Pension Scheme (EGPS) and three categories established with effect from 31 March 2024 following a bulk transfer on that date of the assets and liabilities of the Npower Group of the Electricity Supply Pension Scheme. Within the MEPS and EGPS categories there are both Defined Benefit and Defined Contribution sections (the Defined Contribution sections consist only of a small number of annuitants receiving pensions directly from insurers under individual annuity contracts written in the name of the Group Trustees). Since 30 September 2009 all categories have been closed to new members.

The Group’s Principal Employer and sole Participating Employer is E.ON UK plc.

The Group Financial Statements on page 47 to 62 have been prepared and audited so as to comply with Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

THE GROUP STRUCTURE AND RESPONSIBILITIES

The Group Trustee’s duties and responsibilities are carried out by a trust company, limited by guarantee, called E.ON UK Trustees Limited. The Directors of E.ON UK Trustees Limited have the same functions as individual Group Trustees. The rules for their appointment, election and tenure of office are exactly the same as individual Group Trustees, as are their responsibilities under the provisions of the Scheme and pensions legislation.

There is also a central Scheme Trustee, Electricity Pensions Trustee Limited (“EPTL”), which is a trust corporation and consists of a Council and a smaller Board of Directors.

For simplicity the term ‘Group Trustees’ has been used elsewhere in this Report as shorthand for the more accurate term ‘Directors of E.ON UK Trustees Limited’.

The Group has 8 Trustees of whom 4 are appointed by E.ON UK plc and 4 are nominated by the members, as follows:

Appointed

Stefan Brenk
Capital Cranfield Pension Trustees Limited
represented by Martine Trouard-Riolle – Chair
Sara Leavesley
Keith Plowman – Deputy Chair

Member-Nominated

Mike Andrews
Adrian Harris
Gary Marsh
Steve Millward

The Group Trustees met 6 times during the year.

Trustee committees

In addition to the meetings of the Group Trustees, certain matters were subject to detailed consideration in Trustee Committees. These Committees are as follows:

- The Governance and Risk Committee is responsible for oversight of the Group's internal controls, risk management, accounting processes and the preparation of the annual report and financial statements. The Committee met 5 times during the year. The members of the Committee are Adrian Harris, Gary Marsh (chair) and Steve Millward. Gary Burmiston (Senior Vice President, Corporate Audit, E.ON) was also a member of the Committee by invitation of the Group Trustees until 31 July 2025.
- The Determinations Committee is responsible for determining the recipients of benefits payable under discretionary trust and for considering and responding to complaints under the Internal Dispute Resolution Procedure. The Committee met frequently during the year. The members of the Committee are Adrian Harris (chair), Sara Leavesley and Mike Andrews.
- The Investment Committee gives detailed consideration to certain investment matters and monitors the performance of the Outsourced Chief Investment Officer (OCIO). The Committee met 5 times during the year. The members of the Committee are Martine Trouard-Riolle (chair), Mike Andrews, Stefan Brenk and Keith Plowman. Manpreet Rattan (E.ON SE Pension Finance & Asset Strategy team) is also a member of the Committee by invitation of the Group Trustees.
- The Member Communications Committee gives detailed consideration to all matters related to the Group Trustees' communications with members. The Committee met frequently during the year. The members of the Committee are Martine Trouard-Riolle (chair), Gary Marsh and Steve Millward.

Appointment of Group Trustees

Member-Nominated Group Trustees normally serve for a term of six years. The next nomination and selection process is due to take place between September and November 2026. In addition to changes that take place at a scheduled nomination and selection process, a Member-Nominated Group Trustee ceases to be a Trustee if he/she resigns, ceases to be a contributing member or pensioner of the Group, or is removed from office by a majority of the other Member-Nominated Group Trustees. A casual vacancy for a Member-Nominated Group Trustee can be filled by a person nominated by the remaining Member-Nominated Group Trustees.

The Appointed Group Trustees can be removed by E.ON UK plc. The rules for the appointment, election and tenure of office of Group Trustees are set out in the Articles of Association of E.ON UK Trustees Limited.

STATEMENT OF GROUP TRUSTEE'S RESPONSIBILITIES

The Group Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Group Trustee. Pension scheme regulations require, and the Group Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Group during the Group year and of the amount and disposition at the end of the Group year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Group year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Group Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Group will continue as a going concern.

The Group Trustee is also responsible for making available certain other information about the Group in the form of an annual report.

The Group Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Group Trustee's responsibilities in respect of contributions

The Group Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Group by or on behalf of employers and the active members of the Group and the dates on or before which such contributions are to be paid.

The Group Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Group and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Group in accordance with the schedule of contributions.

Where breaches of the schedule occur, the Group Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Additional Group Trustee's responsibilities

The structure of the Scheme means that certain matters are dealt with by Group Trustees and certain matters dealt with by the Scheme Trustee. The main responsibilities of the Group Trustees are:

- to ensure benefits payable from the Group are paid as they fall due;
- to determine an investment strategy for Group assets;
- to ensure appropriate management of the Group assets;
- to arrange for regular actuarial valuations of the Group to be carried out in accordance with the funding principles agreed with the Employers;
- to prepare and agree with the Employers a Statement of Funding Principles which includes the actuarial assumptions used to assess the Group's liabilities;
- to agree a recovery plan with the Employers for making good any shortfall in assets against liabilities identified in periodic actuarial valuations; and
- to make available to members annual funding updates on the financial position of the Group.

The main responsibilities of the Scheme Trustee, EPTL, are:

- to ensure the safe custody and administrative control of assets;
- to produce the Scheme Report & Financial Statements on an annual basis and
- to ensure proper investment management of Group Assets invested in the Unitised Fund.

ADVISERS AND FUND MANAGERS

To assist them in their work the Group Trustees have appointed a team of professional advisers as follows:

Group Actuary

David Eteen FIA of Aon Solutions UK Limited (to 31 May 2025)

Russell Agius FIA of Aon Solutions UK Limited (from 1 June 2025)

Carries out valuations and other funding updates of the Group as required by the Scheme Rules and Statute, provides all tables and factors for the application of Scheme Rules and options, and advises on all matters relating to pension funding.

Independent Group Auditors

PricewaterhouseCoopers LLP

Reports on the audit of the Group Financial Statements.

Scheme Custodian

The Bank of New York Mellon

Maintains safe custody of the Scheme's assets.

Investment Advisers

Cardano Risk Management B.V. (to 1 October 2025)

Schroder Investment Management Limited (from 16 April 2025)

Advises the Group Trustees on all investment matters including the Statement of Investment Principles and on the long-term strategic benchmark having regard to the nature of the liabilities and the funding position of the Group. Schroders' appointment was amended to Outsourced Chief Investment Officer (OCIO) with effect from 29 July 2025. As OCIO, Schroders have overall control of the Group's investments, managing some of them directly, and appointing external investment managers for others, whilst adhering to the principles set out in the Group Trustees' Statement of Investment Principles. Schroders also have discretion over the timing of realisation of investments to meet cash flow needs.

Aon Solutions UK Limited

Advises the Group Trustees on all investment matters relating to the Additional Voluntary Contribution (AVC) arrangements.

Legal Advisers

DLA Piper UK LLP

Principal legal adviser to the Group Trustees.

Field Fisher Waterhouse LLP

Additional legal adviser to the Group Trustees.

Performance Measurer

The Bank of New York Mellon (Defined Benefit section)

Provides the Group Trustees with a measurement service for their investments relative to the strategic benchmark and on the performance of the investment managers.

Aon Solutions UK Limited

Retained by the Group Trustees to monitor the performance of the AVC providers.

Sponsor Covenant Assessor

Cardano Advisory Limited

Assesses the employer's willingness and ability to fund the Group's liabilities.

Administrator

Railpen Limited (to 30 June 2025)

Broadstone Administration Limited (from 1 July 2025)

Maintains individual records, calculates and pays the benefits on behalf of the Group Trustees.

Investment Adviser Assessor

IC Select Limited

Assesses the investment adviser in relation to non-defined contribution assets and provides oversight of the Niche Assets portfolio.

Bankers

HSBC Bank PLC

Group Appointed Fund Managers – Defined Benefit Section

Schroders (Group appointed Outsourced Chief Investment Officer from 29 July 2025)

BlackRock Financial Management, Inc.

Cambridge Associates LLC

Caxton Associates LP

Dorsal Capital Management, LLC

Egerton Capital Limited

Farallon Capital Management LLC

GoldenTree Asset Management LP

Insight Investment Management (Global) Limited (to 3 October 2025)

J P Morgan Asset Management (Europe) SARL (to 30 September 2025)

Kadensa Capital Limited

Metropolis Capital Limited (to 20 November 2025)

Rialto Partners GP RVCF, LLC

Ruffer (to 10 December 2025)

Sands Capital Management, LLC (to 9 December 2025)

Towers Watson Investment Management

Wellington Management Company LLP (to 23 October 2025)

Group Appointed Additional Voluntary Contribution (AVC) Providers

Aviva plc

The Prudential Assurance Company Limited

Standard Life Assurance Limited

Utmost Life and Pensions Limited

CHANGE OF GROUP ACTUARY

David Eteen resigned from the position of Group Actuary with effect from 31 May 2025 and wrote to the Group Trustees on 29 May 2025 to confirm that “I declare that I know of no circumstances connected with my resignation which, in my opinion, significantly affect the interests of the members or prospective members of, or beneficiaries under, the E.ON UK Group.” Russell Agius was subsequently appointed as Group Actuary with effect from 1 June 2025.

CHANGE IN ADMINISTRATOR

On 20 May 2025, Railpen Limited (“Railpen”) signed an agreement to sell its TPA business (the “Business”) to Broadstone Holdco Limited (“Broadstone”). The sale to Broadstone completed on 1 July 2025 and the subsequent transition included the migration of experienced Railpen colleagues under a TUPE arrangement, the transfer of all Group data and a system migration which was concluded in March 2026.

MEMBERSHIP STATISTICS

Defined Benefit section

	Contributors	Pensioners	Dependants	Deferred Pensioners	Total
As at 1 April 2025	1,013	11,535	3,606	6,095	22,249
Adjustments to opening balance	-	-	-	(20)	(20)
As at 1 April 2025 (revised)	1,013	11,535	3,606	6,075	22,229
Retirements	(33)	332	-	(299)	-
Deaths	(3)	(389)	(287)	(10)	(689)
New dependants	-	-	205	-	205
Cessation of child allowances	-	-	(2)	-	(2)
Leavers with deferred pensions	(17)	-	-	17	-
Leavers with commutation of benefits, refunds and annuity purchases	-	-	-	(7)	(7)
Transfers to other schemes	-	-	-	(15)	(15)
As at 31 March 2026	960	11,478	3,522	5,761	21,721

Defined Contribution section

	Contributors	Annuitants	Dependants	Deferred Pensioners	Total
As at 1 April 2025	-	34	1	-	35
Deaths	-	(8)	-	-	(8)
As at 31 March 2026	-	26	1	-	27

The Group holds some historic annuity policies in the name of the Group Trustees. Given the levels involved, these annuity policies have been excluded from the financial statements on the grounds of materiality.

PENSION INCREASES

The Rules of the Scheme applicable to the Group provide for the following increases to pensions in payment, children's allowances and deferred pensions:

Category	Basis*
Powergen, EME, Eastern and Midlands	Pensions in payment, children's allowances and deferred pensions in relation to pensionable service before 1 November 2018 to be increased on an annual basis on 1 April each year in accordance with the rise in the Retail Prices Index (RPI) in the 12 months ended on the preceding 30 September. If the RPI increase is greater than 5% E.ON UK plc has the discretion to limit the pension increase to a lower figure subject to a minimum of 5%. For pensionable service from 1 November 2018, pensions in payment, children's allowances and deferred pensions to be increased on an annual basis on 1 April each year in accordance with the rise in the Consumer Prices Index (CPI) in the 12 months ended on the preceding 30 September subject to a maximum of 3%. If the CPI increase is greater than 3% E.ON UK plc has the discretion to limit the pension increase to a lower figure subject to a minimum of 3%.
EMEPP and MEPS	Pensions in payment and children's allowances in relation to pensionable service before 1 November 2018 to be increased on an annual basis on 1 April each year in accordance with the rise in the RPI in the 12 months ended on

	the preceding 30 September, subject to a maximum of 5% per annum. Pensions in payment and children's allowances in relation to pensionable service from 1 November 2018 to be increased on an annual basis on 1 April each year in accordance with the rise in the CPI in the 12 months ended on the preceding 30 September, subject to a maximum of 3% per annum. Deferred pensions to be increased over the number of complete years of deferment in line with the statutory provisions of the Pension Schemes Act 1993. With effect from 1 January 2011, the Government amended these statutory provisions such that the CPI replaced the RPI as the measure used for determining minimum increases to deferred pensions.
EGPS	Pensions in payment and children's allowances in relation to pensionable service before 1 November 2018 to be increased on an annual basis on 1 April each year by an amount not less than the lower of the rise in the RPI in the 12 months ended on the preceding 30 September and 5%, or such greater amount as E.ON UK plc may determine. Pensions in payment and children's allowances in relation to pensionable service from 1 November 2018 to be increased on an annual basis on 1 April each year by an amount not less than the lower of the rise in the CPI in the 12 months ended on the preceding 30 September and 3%, or such greater amount as E.ON UK plc may determine. Deferred pensions in relation to pensionable service before 1 November 2018 to be increased over the number of complete years of deferment by the increase in the RPI over the period subject to a maximum of 5% per annum. Deferred pensions in relation to pensionable service from 1 November 2018 to be increased over the number of complete years of deferment by the increase in the CPI over the period subject to a maximum of 3% per annum.
Retirement Balance Plan	Retirement Balances are increased in the period before payment on an annual basis on each 1 April in accordance with the rise in the CPI in the 12 months ended on the preceding 30 September. E.ON UK plc has discretion to vary this increase.
Npower Main and Npower 60ths	Pensions in payment, children's allowances and deferred pensions to be increased on an annual basis on 1 April each year in accordance with the rise in the Retail Prices Index (RPI) in the 12 months ended on the preceding 30 September. If the RPI increase is greater than 5% E.ON UK plc has the discretion to limit the pension increase to a lower figure subject to a minimum of 5%.
Npower 2005	Pensions in payment to be increased on an annual basis on 1 April each year in accordance with the rise in the RPI in the 12 months ended on the preceding 30 September, subject to a maximum of 2.5% per annum. Deferred pensions to be increased over the number of complete years of deferment in line with the statutory provisions of the Pension Schemes Act 1993. With effect from 1 January 2011, the Government amended these statutory provisions such that the CPI replaced the RPI as the measure used for determining minimum increases to deferred pensions.

*For certain categories, the actual increase applied to the pension in payment will depend on whether a member has opted in the past for a 'pension increase exchange'.

The pensions increase applied from 1 April 2026 in relation to pensionable service before 1 November 2018 was 4.5% in line with the RPI increase for the 12 months to September 2025 and was therefore non-discretionary. The increase

in the CPI in the 12 months to 30 September 2025 was 3.8% and E.ON UK plc has used its discretion in respect of relevant categories to limit the pensions increase applied from 1 April 2026 to 3% in relation to pensionable service from 1 November 2018. A proportionate increase was applied to pensions which came into payment between 2 April 2025 and 1 March 2026 for all categories.

Pension increases over the previous five years were:

1 April 2025	2.7% (1.7% in relation to pensionable service from 1 November 2018)
1 April 2024	5.0% (3.0% in relation to pensionable service from 1 November 2018)
1 April 2023	5.0% (3.0% in relation to pensionable service from 1 November 2018)
1 April 2022	4.9% (3.1% in relation to pensionable service from 1 November 2018)
1 April 2021	1.1% (0.5% in relation to pensionable service from 1 November 2018)

TRANSFERS FROM THE GROUP

Deferred pensioners can transfer the cash equivalent of their deferred benefits to another registered pension scheme. Cash equivalents are calculated and verified in accordance with Pension Schemes Act 1993. The policy of the Group Trustees is to make allowance for certain discretionary benefits. For all categories, excluding the RB Plan category, there is discretion to pay a pension to a dependant when the member dies without a surviving spouse or civil partner. On the death of a member in the RB Plan category there is discretion to pay a dependant's pension regardless of the marital status of the member.

INVESTMENT REPORT FOR THE YEAR ENDED 31 MARCH 2026

Statement of Investment Principles

The Group Trustees have adopted a Statement of Investment Principles (SIP) in accordance with Section 35 of the Pensions Act 1995. In preparing the SIP the Group Trustees took professional advice from Schroder Investment Management Limited and consulted with the Principal Employer, E.ON UK plc.

The SIP covers the Group Trustees' policy on the following matters:

- a) ensuring compliance with the current investment requirements;
- b) the types of investment, and the balance between different types of investment;
- c) risk;
- d) expected return of investments;
- e) realisation of investments;
- f) voting rights; and
- g) social, environmental and ethical investment considerations.

The latest SIP was adopted by the Group Trustees in December 2025. A copy can be downloaded via <https://myeonpension.com/about-the-scheme/scheme-documents> or obtained by writing to the Group administrators, Broadstone, whose address and telephone number are shown on page 18.

The asset allocation chosen to meet the Group Trustees' investment objective at any point in time is based on advice from the Group Trustees' Outsourced Chief Investment Officer (OCIO) and will take into account prevailing economic conditions and the wider investment environment in order to meet the target return over time while remaining within the risk level described in the SIP.

Defined Benefit section

For all investment matters including establishing strategy, fund selection and independent assessment and performance monitoring (other than in relation to the Niche Assets portfolio), the Group Trustees are advised by Cardano Risk Management B.V. (to 1 October 2025) and Schroder Investment Management Limited (from 16 April 2025). Fund selection in relation to the Niche Assets portfolio is carried out by Cambridge Associates LLC.

Transition of Assets to Schroders

During the year ending 31 March 2026, Schroders transitioned the Group's assets onto their OCIO platform. In doing so, following advice to the Group Trustees, Schroders implemented a new investment strategy designed to maintain the same return target of Gilts+2.0% p.a. The transition resulted in a shift towards diversified, lower market beta return sources. There was an increase in structured equity, liquid alternatives, defensives, and commodities which support diversification and a marginal shift away from public equity.

Asset allocation

The overall return objective of the Group's investment strategy is to deliver a return of Gilts+2.0% p.a. (net of fees). More details are provided in the SIP.

The Group Trustees have set the following strategic allocation targets following advice from the OCIO. The actual allocations as at 31 March 2026 is also shown in the following table:

Asset class	Target strategic allocation	Actual as at 31 March 2026 (£m)	Actual %
Dynamic Growth		1,035.0	34.9
Private Growth		171.5	5.8
Total Growth allocation	40%	1,206.5	40.7
Buy & Maintain Credit		218.0	7.3
Liquid Securitised		265.0	8.9
High Yielding		73.8	2.5
Structured Equity		302.8	10.2
Liquid Alternatives		155.5	5.2
Total Cashflow Driven Investment allocation	30%	1,015.1	34.1
Total Liability Driven Investment allocation	30%	747.9	25.2
Total	100%	2,969.5	100%

Source: Schroders, 31 March 2026.

Within Growth, Cashflow Driven Investment and Liability Driven Investment there are also sub portfolio ranges which the OCIO is permitted to manage the portfolio within. These are set out in full in the OCIO Investment Management Agreement.

Process for choosing investments

The Group Trustees have delegated responsibility for the selection and deselection of investments, and the ongoing management of relationships with asset managers to the OCIO within the Investment Guidelines set in the OCIO Investment Management Agreement. The Group Trustees consider the OCIO's performance in carrying out these responsibilities as part of its ongoing oversight of the OCIO.

The Group Trustees specify the investment objectives for the overall portfolio, including the overall performance target for the OCIO. Investment reports are received in accordance with the instructions of the Group Trustees, and representatives of the OCIO attend meetings of the Group Trustee as required to discuss the results of their management of the portfolio(s) concerned against targets.

All investment assets (other than those held in the Private Assets portfolio and the Higher Yielding Manager (c. 2.5% of total Group assets) within the Cashflow Driven Investment portfolio) are readily marketable.

Fund manager fees across all of the portfolios are calculated as a percentage of the net asset value of the investment or, in limited circumstances, the exposure value of the investment. In some cases a cap or a floor is applied to the total fee a fund manager can charge each year. There are also instances where a fund manager may charge a performance related fee for generating exceptional returns.

Investment performance

The overall performance of the Group's assets for the year ended 31 March 2026 was 6.9%. This was relative to the overall Group benchmark which was 4.1% (Gilts+2.0% p.a.)

The overall annualised return on the Group's assets in the past three Group years was 0.4%.

Source: Schroders, Cardano Advisory, 31 March 2026

Due to the significant change in investment strategy over the year following the appointment of Schroders as the Group OCIO a breakdown of performance has not been included for this Group year. In future reporting years a breakdown will be included which is aligned to the investment strategy agreed with the OCIO.

Employer-related investments

The Investment Regulations limit employer-related investments by occupational pension schemes. These investments include shares, loan stocks, debentures and other securities issued by the employers participating in the scheme and their associated companies, together with loans made to the employers, and any properties or land owned by the scheme and occupied by the employers.

The Regulations apply separately to each Group within the Scheme, by reference to the investments of the Group Trustees in the Employers participating in the Group and their associated companies, and provide that such employer-related investments must not exceed 5% of the market value of the Group's assets.

As at 31 March 2026 the Group had none of its assets invested directly in E.ON UK plc or its associated companies. The Group Trustees recognise that indirect investment in such companies is possible through holdings in pooled investment vehicles. However, the Group Trustees believe that the diversification across the Group's assets by asset class, manager and fund means that any indirect exposure through pooled funds is likely to be negligible at any time during the year and at year end.

Additional Voluntary Contribution (AVC) investments

The Group Trustees hold these assets invested separately from the main fund in the form of individual insurance policies. Each member receives an annual statement confirming the amount held in their account and the movements in the year. Details of the AVC providers can be found on page 8.

CUSTODY

The assets of the Group are subject to the overall custody and control of the Scheme and are held by Scheme-wide custodians appointed by Electricity Pensions Trustee Limited to safeguard the assets.

The Bank of New York Mellon is the custodian in relation to securities. Where certificates are available in relation to such securities, they are held by The Bank of New York Mellon and identified as investments of the Scheme. Where certificates are not available, but records are held in computer-based systems, the relevant accounts record the Scheme's ownership.

For Group-specific Funds, money at call and short notice is placed in accordance with the provisions of Investment Management Agreements negotiated between Group Trustees and Group OCIO.

All cash is held in bank accounts in the name of the Scheme, or in a fund manager's institutional cash fund, commonly called a cash pool. This type of investment allows cash to be invested across a broad range of institutions thereby reducing risk and exposure.

IMPLEMENTATION STATEMENT

New regulations, which came into force with effect from 1 October 2020, changed the way in which trustees of pension schemes must document in their SIP how they govern the management of their arrangements with their investment managers, in particular concerning stewardship matters and cost transparency. The Group Trustees reviewed and updated their SIP in advance of October 2020 to ensure that it is compliant with these new regulations.

In accordance with the Disclosure Regulations Schedule 3, 30(d)(iv) Investment Regulations 2(3)(d), from 1 October 2020 the Group Trustees have set out in their SIP their policies in relation to the following matters:

- how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Group Trustees' policies mentioned in sub paragraph b of the Investment Regulations;
- how that arrangement incentivises the asset manager to make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long term;
- how the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Group Trustees' policies mentioned in sub paragraph b of the Investment Regulations;
- how the Group Trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range; and
- the duration of the arrangement with the asset manager.

The Group Trustees' Implementation Statement, which sets out further voting and engagement information undertaken by the Group's investment managers for the year ended 31 March 2026, is set out on pages 21 to 40, and forms part of the Group Trustees' Report.

REPORT ON ACTUARIAL LIABILITIES

As required by Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is to be assessed at least every 3 years using assumptions agreed between the Group Trustees and the employer and set out in the Statement of Funding Principles, a copy of which is available to Group members on request by writing to the Group administrators, Broadstone, whose address and telephone number are shown on page 18.

The current statutory funding regime came into force at the end of 2005 and for this purpose each Group of the Electricity Supply Pension Scheme is treated as a pension scheme in its own right. The Group's latest actuarial valuation under this regime was carried out by the Group Actuary, David Eteen of Aon Solutions UK Limited, as at 31 March 2024.

As part of the valuation as at 31 March 2024 the Group Trustees prepared and agreed with the Principal Employer their current Statement of Funding Principles. This statement includes details of the actuarial assumptions used to assess the Group's liabilities. The Pensions Regulator has issued a Code of Practice for the current funding regime and reviews valuations against this Code.

A summary of the results of the valuation as at 31 March 2024 are set out below:

Value of technical provisions:	£3,253.1m
Value of assets available to meet technical provisions:	£3,290.4m
Funding surplus:	£37.3m
Funding level:	101.1%

The value of technical provisions is based on pensionable service to the valuation date and assumptions about various factors that will influence the Group in the future such as levels of investment returns and pay increases, when members will retire and how long members will live. The method and main assumptions underlying the valuation calculations were:

Method	Projected unit
Discount rate	The annualised gross redemption yield on the fixed interest gilt yield curve at the valuation date plus 0.82% p.a.
Rate of salary increase (excluding allowance for promotional increases)	All members excluding Npower: If salary is below £70,000 p.a., 3% LPI gilt yield curve (based on CPI) (assumed until the £70,000 cap is reached) If salary is above £70,000 p.a., nil increases Npower members: Main section: RPI inflation curve 60ths and 2005 sections: CPI inflation curve
Retail Price inflation	RPI yield curve derived from the gilt market at the valuation date
Consumer Price inflation	RPI yield curve derived from the gilt market at the valuation date less 0.9% p.a. until 2030 and less 0.1% p.a. thereafter
Increases to pensions in payment	Gilt best estimate pension increases: The 5% LPI gilt yield curve (based on RPI) for pension in excess of GMPs, accrued before 1 November 2018. The 3% LPI gilt yield curve (based on CPI) for pension in excess of GMPs, accrued after 31 October 2018. The 3% LPI gilt yield curve (based on CPI) for post-88 GMPs.
Post-retirement mortality	Base table – S4PMA and S4PFA_M tables with combined best-estimate scaling factors derived from an experience analysis combined with postcode analysis. Future improvements - CMI 2023 projections with $S_k=7$, $A=0.50\%$ and long-term improvement rate of 1.50% p.a. for men and women.

Guaranteed Minimum Pension (“GMP”) Equalisation

The Group undertook a process of assessing the overall impact of the October 2018 ruling regarding GMP Equalisation and based on an initial assessment by the actuary, an estimate of £8 million was determined for the full liability.

The Group Trustees wrote to an initial tranche of affected pensioner members in July 2023 explaining that they were proposing to address the historical inequality relating to GMP benefits via a GMP conversion method, combined with a Pension Increase Exchange (PIE) exercise for eligible members. This conversion and PIE exercise was completed in February 2024, when any revised pensions and back-payments due were paid. Active members and members with deferred benefits who are affected by this matter were contacted in May 2025 with details of the Group Trustees’ proposal to address the historical inequality relating to GMP benefits via a GMP conversion method. This conversion exercise was completed in February 2026. Remaining pensioner members will be contacted in due course. The Group Trustees have not included a liability in respect of these members in these Financial Statements as it is not expected to be material.

On 20 November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking group pension schemes. This follows from the original judgement in October 2018. This latest judgment confirmed that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Group has historical transfers which may be subject to adjustment as a result of this second ruling. The Group Trustees are currently considering this and decisions will be made in the near future as to the next steps. Any adjustments necessary will be recognised in the Financial Statements in future years. An initial estimate of the value of such adjustments has been calculated and based on this the Group Trustees do not expect a material liability to arise.

Virgin Media Ltd versus NTL Pension Trustees II Ltd case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme under section 9 (2B) of the Pension Schemes Act 1993 which altered, both adversely or favourably, the section 9(2B) rights awarded to members.

This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court. The case had the potential to cause significant issues in the pensions industry. However, in September 2025, the government introduced draft legislation as part of the Pension Schemes Bill 2025 to address the problems arising from the Virgin Media judgments on the need for actuarial confirmation where amendments were historically made to contracted-out salary related schemes.

These amendments are expected to help schemes to remove any uncertainty that has arisen following the Virgin Media judgments and will depend on scheme actuaries being able to provide the confirmation needed to validate relevant amendments. In January 2026, the Financial Reporting Council published actuarial guidance for actuaries to refer to if asked to provide this retrospective actuarial confirmation.

The Pension Schemes Bill received Royal Assent on 29 April 2026, becoming the Pension Schemes Act 2026. The Group Trustees will investigate the possible implications of the above with their advisers when all official guidance notes are published but at present consider any potential impact on the Group to be remote.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

The Electricity Supply Pension Scheme as a whole is in scope of the climate change governance and reporting requirements from 1 October 2021. It has a scheme year end date of 31 March, so the deadline for the Scheme as a whole publishing a TCFD report is 31 October each year (the Group has been advised that no regulatory disclosures are required in addition to those made in the Scheme’s TCFD report).

For more information on the Scheme's TCFD report — the Scheme Trustee's identification, assessment and management of climate change risk – please visit <https://www.espspensions.co.uk/#useful-documentation>.

ADDRESS FOR ENQUIRIES

Enquiries about the administration of benefits, payment of pensions and requests for copies of the Statement of Investment Principles, the actuarial valuation report, the Statement of Funding Principles and the Schedule of Contributions should be addressed to the administrators as follows:

Broadstone
2 Rye Hill Office Park
Birmingham Road
Coventry, CV5 9AB

Telephone: 02476 472541
Email: eon@broadstone.co.uk

Approved by and signed on behalf of the Group Trustees on 5 August 2026.

Martine Trouard-Riolle
On behalf of Capital Cranfield
Pension Trustees Limited – Chair of the Group
Trustees

Gary Marsh
Director

CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Name of scheme: E.ON UK Group of the Electricity Supply Pension Scheme (“the Group”)

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2024 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 20 February 2025.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Group’s liabilities by the purchase of annuities, if the Group were to be wound up.



Signature

Date

20 February 2025

Name:

David Eteen

Qualification:

Fellow of the Institute and
Faculty of Actuaries

Address:

Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

Name of employer:

Aon Solutions UK Limited

GROUP TRUSTEES' STATEMENT ON DC GOVERNANCE – GROUP YEAR ENDED 31 MARCH 2026

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (“the Administration Regulations”) were amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 to include the requirement for the Trustee to prepare an annual statement regarding governance of Defined Contribution (DC) funds within the Group, which must be included in the annual report.

This statement is in respect of the DC Category of the Group (the MEPS and EGPS Categories). The DC funds were transferred out of the Group in January 2021 and therefore the last full DC Governance Statement the Group Trustee produced was for the year ended 31 March 2021.

Following this transfer, the membership of the DC Category of the Group consists only of a small number of annuitants receiving pensions directly from insurers under individual annuity contracts written in the name of the Group Trustees. Therefore, the requirement to have (and to review) a default investment strategy, governance and charges disclosures in relation to the default investment strategy, charges and transaction costs paid by members and processing of core financial transactions are no longer relevant to the Group. In addition, the Group Trustees no longer undertake training specifically related to DC matters and a Statement of Investment Principles in relation to the DC Category is no longer being maintained.

Signed on behalf of the Group Trustees on 5 August 2026

Martine Trouard-Riolle

On behalf of Capital Cranfield Pension Trustees Limited – Chair of the Group Trustees

E.ON UK Group of the ESPS

Implementation Statement

1. Introduction

Over the year to 31 March 2026, the Trustee of the E.ON UK Group of the ESPS (the “Trustee”) appointed Schroders IS Limited as its Investment Manager and Adviser (referred to as the Outsourced Chief Investment Officer (or “OCIO”) in the Implementation Statement).

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the E.ON UK Group of the ESPS (the “Group”) in relation to the Group’s Statement of Investment Principles (the “SIP”).

The SIP was amended twice during the year ending 31 March 2026. The first amendment, in August 2025, noted that Schroders IS Limited had been appointed as the OCIO and amendments to the Group’s investment strategy following Schroders’ appointment. The Fund Management agreement with Schroders was signed on 29 July 2025. Prior to this date, Cardano Advisory were the Group’s investment advisor. Transition to the revised strategy began in September 2025 and was completed in November 2025.

The second amendment, in December 2025, explicitly listed Schroders’ responsibilities as a fully operational OCIO, and noted a change in the OCIO fee from a fixed rate to ad valorem.

This SIP came into force from December 2025; a copy of the current SIP signed and dated December 2025 can be found here: [Statement of Investment Principles](#)

This Implementation Statement covers the period over the year to 31 March 2026 (the “Group Year”). It sets out:

- How the Trustee’s policies on stewardship have been followed over the Group Year; and
- The voting by or on behalf of the Trustee during the Group Year, including the most significant votes cast and any use of a proxy voter during the Group Year.

The latest guidance (“the **Guidance**”) from the Department for Work and Pensions (‘DWP’) aims to encourage the Trustee of the Group to properly exercise its stewardship policy including both voting and engagement which is documented in the Group’s SIP. With the help of the Group’s OCIO, to whom the Trustee delegated the implementation of its Stewardship policy from 29 July 2025, this Implementation Statement has been prepared to provide the details on how the Trustee has complied with the DWP’s statutory guidance.

The OCIO can appoint other investment managers (referred to as ‘**Underlying Investment Managers**’) to manage part of the Group’s assets, and investments with these managers are generally made via pooled funds, where the Group’s investments are pooled with those of other investors.

A copy of this Implementation Statement is available on the following website: <https://myeonpension.com>

Executive Summary

The OCIO manager, on behalf of the Trustee, monitors the voting and engagement activity of the Group’s Underlying Investment Managers, and, through the support of the Investment Committee, challenge their decisions. Some of the Underlying Investment Managers invest in assets where stewardship is less likely to be relevant or significant, for example alternative assets and private assets.

The Trustee focuses its efforts on those Underlying Investment Managers where voting and engagement is material. The policies of those Underlying Investment Managers are summarised in this Implementation Statement, along with examples of voting and engagement activity which took place during the period covered by this Implementation Statement. The Trustee is comfortable that the OCIO has an appropriate approach to assess the stewardship and voting policies for all Underlying Investment Managers. With the assistance of our OCIO, the Trustee undertakes an in-depth review of the Underlying Investment Managers’ ESG credentials, including their stewardship and voting activity and policies every year. The OCIO monitors the stewardship activity of the Underlying Investment Managers on an ongoing basis and alerts the Trustee of any material concerns between this review period.

2. How the Trustee's policies on stewardship have been followed over the Group Year

As described in the SIP, the Trustee's approach to stewardship is to delegate the voting and engagement activities to the OCIO. The Trustee takes responsibility for regularly reviewing the approach and stewardship policies of the OCIO to ensure they are aligned with the Trustee's priorities and objectives. A copy of the Group's SIP has been provided to the OCIO, who is expected to follow the Trustee's investment (including stewardship) policies when providing OCIO services.

The OCIO aligns its own stewardship activities with Schroders' Engagement Blueprint, which identifies six broad themes for their active ownership: Climate Change, Natural Capital & Biodiversity, Human Rights, Corporate Governance, Human Capital Management, and Diversity & Inclusion. From these, the Trustee has chosen **Climate Change** and **Natural Capital & Biodiversity** as its priority themes for the stewardship actions the OCIO performs on behalf of the Group. The Trustee expects that the OCIO's stewardship activities will result in better management of ESG and climate related risks and opportunities, which is expected to improve the long-term financial outcomes of the Group. Therefore, the Trustee has aligned its stewardship priorities with the OCIO's.

The OCIO is a signatory to the *UK Stewardship Code* which sets high standards for those investing money on behalf of UK pensioners and savers. The UK Stewardship Code describes stewardship as *"the responsible allocation, management and oversight of capital to create long-term value ... leading to sustainable benefits for the economy, the environment and society."* Thus, the OCIO's stewardship activities on behalf of the Trustee encompass a variety of tools, including portfolio ESG integration, manager research and selection, portfolio ESG metric monitoring and voting and engagement.

The Trustee is satisfied that the stewardship policy outlined in the SIP has been implemented well over the year, with the OCIO taking the Trustee's stewardship policy and priorities into account as part of its stewardship activities and manager selection over the Group Year. Examples of how this has been evidenced include:

- The OCIO integrates exclusions during the security selection process (where assets are managed directly by the OCIO) as per the Schroders Group criteria which includes UNGC Global Norms Violators, controversial weapons and thermal coal. This ensures a closer alignment of the Group's investments with the Trustee's stewardship priorities, as these excluded investments are generally viewed as causing significant harm to the environment.
- ESG integration was implemented in the different parts of the investment portfolio, with Underlying Investment Manager and counterparty engagement carried out in the Group's Dynamic Growth, CDI (including Buy and Maintain), CDI Funding Source and LDI portfolios.
- There were a number of strategies with sustainability objectives which have been included in the portfolio across different asset classes over the year. These funds go beyond simply considering sustainability risks and actively promote environmental and social objectives.
- Ongoing monitoring of an active credit manager which has a specific climate transition focus and net zero target at the strategy level.
- Annual assessment of Underlying Investment Managers' ESG ratings against a comprehensive internal ESG assessment framework. Lower-rated managers are categorised as either Red-Engagement or Red-Exclusion, requiring further engagement to improve their rating, or exclusion on the grounds of poor ESG credentials. The ESG ratings were also used to identify the areas of engagement with Underlying Investment Managers across the engagement priorities.
- Regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Group's investments.
- In addition to regular reporting, the OCIO will provide voting and engagement examples to the Trustee via quarterly and annual ESG reporting, facilitating a more regular review throughout the year of the OCIO and Underlying Investment Managers' stewardship activities. In addition, the quarterly ESG reporting also includes "spotlight" pages to provide the Trustee with ESG related hot topics and educational material such as ESG integration for particular asset classes.
- Development of biodiversity metric NatCapEx to be used as an engagement tool and to provide a greater understanding of exposure to nature related risks.

Considering the voting statistics and behaviour set out in this Implementation Statement, along with the engagement activity that took place on the Trustee's behalf during the Group Year within the Dynamic Growth, CDI (including Buy and Maintain), CDI Funding Source and LDI portfolios, the Trustee is pleased to report that the OCIO and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustee noted that:

- Each manager demonstrated high levels of voting rights being acted on, where voting is relevant.
- Where the holdings did not have voting rights attached, the Underlying Investment Managers showed they carried out a good level of engagement activity with the underlying companies over the Group Year.

- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- The OCIO has carried out a high level of engagement activities with the Underlying Investment Managers, focussing on laggards and material allocations across two different engagement priorities.
- The OCIO has also carried out a high level of engagement with different governing bodies for the Liability Hedging mandate to ensure that the Group's liability hedging programme remains robust. Moreover, the OCIO provided inputs to those governing bodies to ensure they continue to deliver even better outcomes for their clients, including the Group.

Given the activities carried out during the Group Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the DWP Guidance over the Group Year.

3. Voting During the Group Year

The Trustee has delegated responsibility for voting on its behalf to the OCIO and Underlying Investment Managers. Most voting rights associated with the Group's investments pertain to the underlying securities within the pooled funds managed by the Underlying Investment Managers. In a general meeting of a company issuing these securities, the Underlying Investment Managers exercise their voting rights according to their own policies, which the OCIO may have influenced.

The pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the OCIO on behalf of the Trustee. Schroders Active Ownership team exercises the voting rights, in line with the Schroder's Global Voting Guides (shown in the appendix), which is guided by the **Schroders' Engagement Blueprint**.

Voting by the Underlying Investment Managers

Most Significant Votes

For a vote to be considered 'significant', it must:

- Be defined as significant by the OCIO and Underlying Investment Managers; and
- Must relate to the Trustee or OCIO's stewardship priority themes.

The Group's Dynamic Growth Portfolio is invested in a diversified portfolio across a range of investment managers, with the equity exposure—where voting rights are typically attached—being the most significant with regards to voting activity. As a result, voting activity is undertaken by a number of Underlying Managers, each exercising stewardship responsibilities in line with their respective policies and the nature of their holdings. The OCIO is responsible for overseeing these arrangements and conducts ongoing monitoring of the Underlying Managers' voting behaviour, stewardship activities, and associated policies. While no single manager dominates, the aggregate voting behaviour across these equity mandates—together with the OCIO's oversight—is considered collectively significant in demonstrating the Group's approach to stewardship.

The OCIO believes that all resolutions voted against the board's recommendations should be classified as a significant vote.

Of the votes that satisfy the above criteria, the Trustee has selected those that it deems most material to the long-term value of the investments. These votes are hereby defined as 'most significant votes', and as per DWP guidance, the Trustee has communicated this definition of 'most significant votes' to the OCIO.

In some cases, the most significant votes disclosed occurred prior to the Scheme's investment in the relevant funds. This partly reflects the concentration of proxy voting activity during the annual AGM season (typically Q2) and remains consistent with regulatory requirements, which focus on voting activity during the reporting period.

Robeco – Climate Change

Key Points	Voting Rationale
Company Name Sasol Ltd	Robeco voted against management as the company is flagged as a climate laggard (laggards are defined as the largest carbon emitting companies in the universe that are not taking action towards aligning with the goals of the Paris Agreement). Many of the same concerns expressed when voting against Sasol's climate plan in previous years remain unaddressed; emissions from several key operations are excluded from targets, no coal phase out timeline is disclosed, the plan is overly reliant on offsets to meet the 2030 target and the board does not disclose how feedback from this and previous votes will be incorporated into future iterations of the plan. Despite the proposal being successful, a notable minority voted against the proposal, indicating some shareholder concern.
Date of Vote 14 November 2025	
Summary of Resolution Approval of Climate Change Strategy.	
How Manager Voted Against – against management.	
Outcome Approved.	
Next Steps In their communication with the company, Robeco explained their reason for voting against management and offered a call for further discussion.	

Marshall Wace – Climate Change

Key Points	Voting Rationale
Company Name Alphabet	The proposal seeks to address execution risk around stated climate commitments. Alphabet has made ambitious 2030 commitments, but recent disclosures show evidence of rising emissions, driven in part by energy intensive data centre growth and AI demand. The proposal sought to provide additional transparency and help investors assess whether targets remain credible.
Date of Vote 6 June 2025	
Summary of Resolution Shareholder proposal regarding disclosure related to 2030 Climate Goals.	
How Manager Voted For - Against management.	
Outcome Not approved.	
Next Steps There are no formal plans for engagement, but the manager will continue to vote against management which it deems it to be appropriate.	

Key Points	Voting Rationale
Company Name Amazon.Com Inc	Flexible plastic packaging is a material which is widely criticized for its environmental impact, especially on marine ecosystems. Amazon is believed to be one of the largest users of flexible plastic packaging globally, yet it does not disclose the tonnage used. Schroders view expanded reporting as beneficial for transparency and reducing environmental risks, particularly to marine ecosystems.
Date of Vote 21 May 2025	
Summary of Resolution Publish a report disclosing and addressing its use of unrecyclable (flexible) plastic packaging.	
How Manager Voted For – against management.	
Outcome Not approved.	
Next Steps Schroders will continue to engage Amazon.Com Inc on this topic.	

Morant Wright – Corporate Governance

Key Points	Voting Rationale
Company Name Yodogawa Steel Works Ltd	The practice of offering a Shareholder Benefit Program is not unusual in Japan especially among B2C businesses, which often attempt to attract retail investors. The Yodogawa Steel Works' Shareholder Benefit Program does not provide equal benefit to all shareholders, however, and Morant Wright do not think it is an effective way to create value for shareholders.
Date of Vote 24 June 2025	
Summary of Resolution An activist investor submitted a shareholder proposal seeking to abolish the shareholder benefit programme.	
How Manager Voted For – against management.	
Outcome Not approved.	
Next Steps Support rates are usually low for such shareholder proposals. Morant Wright will continue constructive engagement dialogue with Yodogawa Steel on this matter.	

Key Points	Voting Rationale
Company Name Meta Platforms Inc	
Date of Vote 28 May 2025	
Summary of Resolution A shareholder proposal for the disclosure of voting results based on the class of shares.	
How Manager Voted For – against management.	Meta has a dual class structure, with the company’s CEO, Mark Zuckerberg, owning nearly 100% of Class B stock which carries ten (as opposed to one) vote per share, therefore meaning Class B stockholders can disproportionately impact voting decisions. Currently, voting results are disclosed by Meta without distinction between share class, and it would benefit Class A stockholders to have transparency on voting.
Outcome Not approved.	
Next Steps Egerton will continue to engage with Meta on voting disclosures and improving transparency.	

Successful Votes

In addition to the most significant votes, the Trustee has also considered examples of voting activity where the outcome was aligned with the position taken by the Underlying Investment Managers. These examples provide further context on how voting rights are exercised across the portfolio and demonstrate instances where managers’ stewardship activity has been reflected in the final voting outcome.

The Trustee considers it appropriate to also include selected examples of votes where the managers’ positions were supported by shareholders. This is intended to present a more balanced view of voting activity and outcomes across the Group’s investments.

The examples provided below have been identified by the OCIO, in consultation with the relevant Underlying Investment Managers, taking into account their relevance to the Group’s stewardship priorities and the materiality of the underlying issue.

Redwheel – Climate Change

Key Points	Voting Rationale
Company Name Aviva PLC	
Date of Vote 30 April 2025	
Summary of Resolution Approve Climate-Related Financial Disclosure.	Supported the company's climate-related financial disclosure in line with the management recommendation.
How Manager Voted For – with management.	
Outcome Pass	

Redwheel – Climate Change

Key Points	Voting Rationale
Company Name Centrica PLC	
Date of Vote 8 May 2025	
Summary of Resolution Approve Climate Transition Plan.	Supported the transition plan as it was considered to be in the best interests of minority shareholders .
How Manager Voted For – with management.	
Outcome Pass	

Key Points		Voting Rationale
Company Name		
Shell PLC		
Date of Vote		
20 May 2025		
Summary of Resolution		
Shareholder proposal on LNG strategy and alignment with climate commitments (incl. net zero target).		Considered the shareholder request to be unreasonable given existing disclosures and company strategy.
How Manager Voted		
Against – with management.		
Outcome		
Failed		

Amundi – Corporate Governance

Key Points	Voting Rationale
Company Name Apple Inc	
Date of Vote 24 February 2026	
Summary of Resolution Shareholder proposal requesting report on risks related to operations in China.	Considered the request overly prescriptive despite recognising the underlying risk theme.
How Manager Voted Against – with management	
Outcome Failed	

Amundi – Diversity, Equity, and Inclusion

Key Points	Voting Rationale
Company Name Visa Inc	
Date of Vote 27 January 2026	
Summary of Resolution Shareholder proposal on disclosure of return on investment of inclusion programmes.	Deemed the proposal unclear with insufficient justification for shareholder support.
How Manager Voted Against – with management.	
Outcome Failed	

Summary Voting Statistics:

Only the Group's equity and some alternative (hedge fund) holdings invest in assets with voting rights attached. Below are the voting statistics over the year to 31 March 2026 for the most material funds held on behalf of the Trustee that had voting rights during the period. While not all funds were held for the full reporting period, the voting data below is reported for the full year as at the Group Year End, in line with PLSA guidance.

Some of the Group's equity holdings are invested via Exchange Traded Funds (ETFs) where voting is also relevant. Given the Trustee has little influence on the ETF providers' voting and engagement approach, the Trustee has elected to only include the voting statistics of the largest ETF holdings in this Implementation Statement due to materiality. Other ETF providers' voting and engagement policies are included in the Appendix. Finally, the proxy voting services used by the OCIO and Underlying Investment Managers are Glass Lewis ("GL") and Institutional Shareholder Services ("ISS").

Equity Holdings:

Equity Funds	Amundi Core MSCI World ETF	Amundi Core MSCI Emerging Markets Fund	Artisan Global Value Fund	GMO Quality Investment Fund	Morant-Wright Fuji Yield Fund	Egerton Capital Equity Fund
Percentage of Total Assets	4.1%	1.5%	1.0%	1.0%	0.7%	0.6%
Total meetings eligible to vote	150	433	37	46	58	39
Total resolutions eligible to vote	2,199	3,485	699	745	696	694
Of resolutions eligible to vote, % of resolutions voted on	100%	97%	100%	100%	100%	100%
Of voted resolutions, % vote with management	83%	74%	96%	95%	89%	96%
Of voted resolutions, % vote against management	16%	18%	4%	5%	11%	3%
Of voted resolutions, % abstained	1%	8%	0%	0%	0%	1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	12%	8%	9%	7%	N/A	N/A
Proxy voting service used	ISS & GL	ISS & GL	ISS & GL	ISS	N/A	N/A

Alternative Holdings:

Alternative Funds	Kadensa Master Fund	JP Morgan Europe Equity Absolute Alpha Fund
Percentage of Total Assets	0.9%	0.6%
Total meetings eligible to vote	100	172
Total resolutions eligible to vote	1,331	3,215
Of resolutions eligible to vote, % of resolutions voted on	100%	97%
Of voted resolutions, % vote with management	86%	95%
Of voted resolutions, % vote against management	14%	4%
Of voted resolutions, % abstained	0%	<1%
Of voted resolutions, % vote contrary to the recommendation of proxy adviser (if applicable)	0%	1%
Proxy voting service provider	ISS	ISS

Note:

- *Percentage of total assets* taken as at the end of the Scheme year.
- Figures have been rounded but may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of 'Abstain' is also considered a vote against management.
- Managers also use their proxy voting service providers for research purposes and typically work with them to create bespoke voting guidelines, usually complemented with analysis of their in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
- Voting data has been provided for the 6 largest applicable equity allocations, and alternative funds for which voting data is relevant.
- The Amundi Core S&P 500 Swap Fund invests in derivatives rather than directly in equity holdings; as such, no voting rights are attached to the Group's investment in this fund and therefore no voting statistics have been reported.

The Trustee is satisfied that the voting and engagement activities undertaken by both the OCIO and the Underlying Investment Managers align with the stewardship priorities determined during the Group Year, hence the Trustee believes that it has satisfactorily implemented the Stewardship Policy stated in the Group's SIP.

4. Engagement During the Group Year

Engagement is considered to be purposeful dialogue with a specific and targeted objective to achieve positive change in the interests of beneficiaries, thereby a key action required for delivering good stewardship. The Trustee has delegated responsibility for engagement on its behalf to the OCIO and Underlying Investment Managers. The Trustee favours active engagement, as opposed to divestment or exclusions practices. Through engagement, asset managers can build relationships with the companies in which they invest, helping to steward companies on a range of topics, including sustainability.

The tables below provide examples of the engagement activity of some of the Group's investment managers where engagement should be a material activity in the management of the assets.

JP Morgan

Key Points	Engagement Activity
Company Name	
Jet2	The company is a large emitter of GHG emissions and faces related transition risks as the UK pursues net zero. The company has not yet set decarbonisation targets aligned with the latest climate science and thus faces the risk of falling behind peers who have begun to disclose their plans.
Engagement Theme	
Climate Change	JP Morgan engaged in Q2 2025 to gain more insight into its decarbonisation planning. They sought to understand the outlook for the company setting decarbonisation targets and seeking SBTi validation for these targets. They also wanted to understand the levers the company intends to lean on for decarbonising its operations, to better assess the credibility of its strategy.
Industry	
Aviation	They have an 'ambition' to reach net zero by 2050 but are hesitant to formalise this into a target until they have greater clarity on technology availability post-2035. The company's decarbonisation plan will not include carbon offsets, which they do not see as a credible lever for reaching net zero.
Outcome	
The company made efforts to determine a medium-term science-based emissions reduction pathway (2035 decarbonisation target of a 35% reduction in carbon intensity versus a 2019 baseline) and is committed to seeking SBTi validation.	AS with peers, their main decarbonisation lever will be sustainable aviation fuel (SAF). The company anticipate some challenges with scaling production to the required levels (a regulatory SAF mandate has come into force in the UK requiring minimum levels, which are set to increase) and overcoming administrative hurdles related to the mandate, but are confident overall of being able to procure the levels needed to comply with the mandate. They are engaging with UK regulators on availability and affordability of SAF to support them in reaching their decarbonisation target.
Next Steps	
JPMorgan will continue their engagement with the company and assess its transition plan once published. In addition, JPMorgan will encourage the company to consider setting a long-term net zero target based on credible technology development pathways.	

Key Points	Engagement Activity
Company Name ArcelorMittal	
Engagement Theme Climate Change	
Industry Manufacturing and Mining	
Outcome Feedback from the company included acknowledgement of the economic environment shifting to create challenges for them and the resulting decision to push back on green initiatives. The Company's global 2030 targets are at risk. They have reduced production in Europe, but India, Brazil and US continued to increase.	This is one of GMO's major climate engagements that they are participating in as a member of CA100+ and displays their commitment to collaborative engagement. The objective of this engagement is to encourage setting science-based targets with SBTi or an alternate credible framework; encourage creating a carbon cost sensitivity analysis due to the decarbonization budget not being revised and finally request updated industry association review and publication.
Next Steps The engagement will remain ongoing as GMO support and encourage the company to remain committed to setting science-based targets. GMO hope to get clarity related to their alignment with 1.5C and the scope of their global assets including joint ventures.	

Key Points	Engagement Activity
Company Name Heidelberg Materials	
Engagement Theme Climate Change	
Industry Materials and construction	Engagement has been ongoing, consistent with Artisan’s active ownership approach that emphasizes direct dialogue with management on issues that matter for long-term value creation. Discussions have focused on how evolving Emissions Trading Scheme (ETS) regulation, including declining free allowances, updated emissions benchmarks and carbon border adjustments will influence pricing, industry structure and returns and how the company is preparing for a range of policy outcomes. Management has emphasized flexibility and capital discipline, noting that investment in decarbonization will be guided by economics with the ability to scale spending up or down depending on regulatory frameworks and expected returns.
Outcome The Company has invested significant capital over time to reduce the CO2 intensity of its cement production, which positions it to benefit as the ETS is implemented. Cement prices will rise in the market to reflect the CO2 costs of the marginal producer. But Heidelberg, due to its lower CO2 intensity per ton, should see a smaller increase in its own costs.	
Next Steps Artisan will continue engagement with Heidelberg to ensure management is acting in the best economic interest of shareholders.	Artisan’s engagement also extends to Heidelberg’s decarbonization strategy, particularly its investments in carbon capture, utilization and storage where early projects demonstrate commercial viability while future projects are pursued selectively with a clear focus on returns and government support. This reflects Artisan’s consistent approach to ESG where environmental risks and opportunities are evaluated alongside other fundamental factors and engagement is used to inform decision-making and support the creation of long-term shareholder value.

Key Points		Engagement Activity
Company Name		
Mitsubishi Heavy Industries (“MHI”)		Kadensa’s recent dialogue with MHI has focused on the company’s commitment to ESG and ongoing investment in environmental products, given backtrack on ESG from the Trump administration and lightening customer interest for environmental solutions. MHI remains committed to R&D on environmental technologies and products regardless.
Engagement Theme		
Climate Change and others		
Industry		
Industrial		
Outcome		
Kadensa are satisfied with the engagement to date on a number of topics and have established a healthy dialogue on ESG matters.		
Next Steps		
Kadensa will continue to engage with the company on this topic.		

Key Points	Engagement Activity
Company Name Ambev	The company was selected for engagement due to its significant exposure to water-related risks—38% of its withdrawals occur in high-risk areas—combined with its material environmental footprint through packaging waste and low regional recycling rates. As one of South America’s largest beverage producers, its operations directly intersect with water scarcity, watershed degradation, and plastic pollution, making it a high-impact opportunity for stewardship. Robeco’s engagement sought to ensure the company implemented robust governance structures, strengthened disclosures, and set ambitious environmental targets. Robeco established six engagement objectives covering policies, operational management, disclosures, targets, emergency preparedness, and mitigation of environmental impacts. The engagement began in December 2022 with an initial outreach to establish dialogue. Early efforts focused on understanding the company’s water and waste management approach amid limited transparency. Over time, the approach evolved to deeper technical discussions, structured feedback on sustainability reporting, and escalation through voting against management where necessary. Over the three-year period, Robeco maintained a high level of engagement, including: - Multiple calls with senior leadership, including the VP for Procurement & Sustainability, the Sustainability Director, and ESG specialists. - Regular written communications, including detailed feedback on sustainability reports, disclosure gaps, and CDP submissions. - Ongoing monitoring and requests for additional explanation around watershed restoration projects, risk assessment methodologies, and target-setting.
Engagement Theme Natural Capital & Biodiversity	
Industry Food and Beverage	
Outcome The engagement successfully met four of the six objectives; Water & Waste Policy, Operational Management, Disclosures and Targets. Key actions by the company included: - Achieving its water-to-beer ratio target of 2.5L ahead of schedule in 2023. - Implementing AWS methodology for annual water risk assessments. - Advancing watershed restoration in high-risk basins, with measurable results in the majority of targeted regions. - Improving transparency, including audited disclosures and steps toward a standalone CDP Water submission. - Strengthening waste management practices and advancing recycled packaging commitments.	
Next Steps With four objectives closed and structural improvements evident, Robeco have concluded the engagement.	

Key Points		Engagement Activity
Company Name		
The Hershey Company		
Engagement Theme		
Natural Capital & Biodiversity		
Industry		
Confectionary		
Outcome		
The company has suspended certain high-risk suppliers but continues engagement to drive improvement, maintaining transparency through a public grievance tracker.		The company is an American multinational confectionery company and one of the largest chocolate manufacturers in the world. Marshall Wace held two calls with the company over the past year on these topics. The first meeting was part of the initiative carried out with a smaller group of investors using satellite data on deforestation to engage with companies within the consumer sector around incidents in their supply chains. The engagement focused on the company’s management of deforestation risks in cocoa and palm oil supply chains, and its approach to sustainable sourcing. The second meeting was a follow up call on this topic to learn about progress made. The company prioritises supplier transparency and long-term traceability, supported by GPS and satellite monitoring. The Company seeks official certifications, carries out farmer support programmes, and invests in landscape-level conservation.
Next Steps		
Follow-ups include monitoring progress on grievance mechanisms, reforestation standards, and continued dialogue on sustainable sourcing.		

Key Points		Engagement Activity
Company Name		
Anonymised		
Engagement Theme		
Natural Capital & Biodiversity		
Industry		Amundi began engaging the three largest Brazilian banks on deforestation in 2024, focusing on their exposure to agriculture linked deforestation risks. The objective was to encourage the development of public deforestation policies supported by robust frameworks for identifying, managing, and reporting related risks.
Financials		
Outcome		While all three banks demonstrated an understanding of deforestation risks, their approaches varied; current practices rely heavily on internal monitoring, client engagement, and tools such as satellite imagery or supply chain assessments, rather than publicly disclosed, standardised policies. All three institutions have demonstrated progress in recognising and managing deforestation risks within their lending activities, but most measures remain internally focused.
The engagement has not yet achieved its primary objective of securing public deforestation policies from the banks, but the banks have expressed support for the concept of public deforestation policies.		
Next Steps		
Amundi will continue to engage with the banks to encourage the adoption of formal, publicly disclosed deforestation policies. At this stage, escalation is not considered necessary, but progress will be closely monitored.		

5. Private Assets Portfolio (Niche Asset Portfolio)

The Private Assets Portfolio is a fund of funds investment vehicle, managed by Cambridge Associates. The manager invests in both liquid and illiquid investments.

- Some liquid managers may invest directly in listed securities.
- Illiquid managers invest in private companies, while a number do not invest in companies.

We have provided the relevant information for the funds that invest in listed equities.

Voting:

There are no voting statistics available for the underlying investments.

Engagement:

General Atlantic (“GA”)

Key Points	Engagement Activity
Company Name o9 Solutions	
Engagement Theme Climate Change and others	The engagement began in December 2022 with an introductory call focused on linking executive compensation to ESG and DEI performance. In June 2024, GA conducted a meeting with o9's Director of Global Sustainability and leadership to review the avoided emissions methodology and LP Scorecard, discuss CSRD exposure (confirmed out of scope), board-level sustainability governance, and ESG ratings.
Industry Information Technology	During 2025, four structured workstreams were active: impact measurement, net-zero alignment, emissions data collection, and SFDR Article 9 data collection.
Outcome Per o9's own reporting, the company is now focused on upskilling internal stakeholders on AI governance, engaging with SecOps and AI leaders, recruiting a CISO to oversee these activities, and formalising its AI inventory, risk assessments, controls, and documentation.	In January 2026, GA initiated a Responsible AI governance workstream, supporting o9 in benchmarking market expectations and connecting them with experienced portfolio companies.
Next Steps Annual Beyond Net Zero impact measurement, decarbonisation target assessment, and SFDR reporting cycles are ongoing. The engagement continues to evolve from standard climate reporting into governance and emerging-risk themes as the company scales.	In March 2026, GA connected o9 with the Sustainable Aviation Buyers Alliance to support their procurement of Sustainable Aviation Fuel.

Appendix 1 – ESG, Voting and Engagement Policies

Links to the ESG, voting and/or engagement policies (where applicable) for both the OCIO and Underlying Investment Managers of the Group's holdings can be found here:

Investment Manager	Voting & Engagement Policy
Amundi	Amundi Global Voting Policy 2025 Amundi 2024 Engagement Report
AQR	https://www.aqr.com/-/media/AQR/Documents/ESG/AQR-Proxy-Voting-Policy.pdf?sc_lang=en&hash=7FFEB296D71C2EE923DC5D1F3EC01024
Artisan	https://www.artisanpartners.com/content/dam/documents/legal/proxy-voting/Proxy-Voting-Policy.pdf Sustainability/ESG Artisan Partners Asset Management Inc
Caxton Associates	Stewardship-Code-and-Shareholder-Rights-Directive-2025-Caxton-Associates-LLP-v3-002.pdf
DWS Group (Xtrackers ETFs)	https://www.dws.com/AssetDownload/Index?assetGuid=4f6b86d3-a8a8-42a0-b10c-a87585398cb7&consumer=E-Library https://download.dws.com/download?elib-assetguid=e609c46cc03148eead59178e865d9fed
Egerton Capital	ESG & Stewardship - Egerton Capital
Farallon Capital	Commitment to the UK Stewardship Code (2025)
GMO	https://www.gmo.com/globalassets/documents---manually-loaded/documents/legal/proxy-voting---gmo.pdf https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf
JP Morgan	https://am.ipmorgan.com/content/dam/ipm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf Engagement-and-proxy-voting-statement.pdf
Lazard	Sustainable Investment and ESG Integration Policy
Lumyna Marshall Wace	Microsoft Word - MW Engagement Policy Sept 2025
Man Group	Responsible investment Man Group
Morant Wright	Voting-Policy.pdf
Neuberger Berman	https://www.nb.com/handlers/documents.ashx?id=aba155d6-e78e-4668-800f-fa69f05d45d0&name=Stewardship%20and%20Engagement%20Policy
Redwheel	https://www.redwheel.com/uk/en/institutional/?kurtosys_download=17626
Robeco	docu-robeco-stewardship-policy.pdf
Schroders Solutions	https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf https://mybrand.schroders.com/m/75fa1cd8dd188c3b/original/613798_SC_Listed-Assets-Blueprint-Report-Digital_16_9_V12.pdf
SCOR	SCOR IP 2025 Shareholder engagement policy 0.pdf
T Rowe Price	https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf

Independent auditors' statement about contributions to the Group Trustee of E.ON UK Group of the Electricity Supply Pension Scheme

Statement about contributions

Opinion

In our opinion, the contributions required by the schedule of contributions for the Group year ended 31 March 2026 as reported in E.ON UK Group of the Electricity Supply Pension Scheme's summary of contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the Group actuary on 20 February 2025.

We have examined E.ON UK Group of the Electricity Supply Pension Scheme's summary of contributions for the Group year ended 31 March 2026 which is set out on the following page.

Basis for opinion

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Group under the schedule of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Group Trustee in respect of contributions

As explained more fully in the statement of Group Trustee's responsibilities, the Group's Group Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Group by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Group Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SUMMARY OF CONTRIBUTIONS PAYABLE IN THE YEAR ENDED 31 MARCH 2026

During the year the contributions required by the schedule of contributions for the Group year ended 31 March 2026 were as follows:

	Employees £ million	Employers £ million	Total £ million
Required by the schedule of contributions			
Normal contributions – Defined Benefit*	0.1	15.2	15.3
Total as reported on by Group auditors	0.1	15.2	15.3
Other contributions payable			
Early retirements	-	2.8	2.8
Supplementary pensions funding	-	0.4	0.4
Rule 29 contributions	-	0.1	0.1
AVCs	0.4	0.4	0.8
Total	0.5	18.9	19.4

*Under salary sacrifice arrangements, £4.4m of contributions were met by the Employer rather than the Members and are included in the £15.2m above.

Approved by and signed on behalf of the Group Trustees on 5 August 2026:

Martine Trouard-Riolle
On behalf of Capital Cranfield
Pension Trustees Limited - Chair of the Group Trustees

Gary Marsh
Director

Independent auditors' report to the Group Trustee of E.ON UK Group of the Electricity Supply Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion, E.ON UK Group of the Electricity Supply Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the Group during the year ended 31 March 2026, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise:

- the Statement of Net Assets Available for Benefits as at 31 March 2026;
- the Fund Account for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to, or in respect of, the Group.

We have provided no non-audit services to the Group in the period under audit.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Group Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Group Trustee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Group Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Group Trustee for the financial statements

As explained more fully in the statement of Group Trustee's responsibilities, the Group Trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Group Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Group Trustee is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group Trustee either intends to wind up the Group, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Group in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the Group Trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the Group Trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Group Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 August 2026

FUND ACCOUNT

For the year ended 31 March 2026

	Note	2026 £million	2025 £million
Contributions and benefits			
Employer contributions	4	18.9	23.5
Employee contributions	4	0.5	0.9
Total contributions		19.4	24.4
		19.4	24.4
Benefits paid or payable	5	(209.1)	(210.3)
Payments to and on account of leavers	6	(3.5)	(3.0)
PPF and other levies	7	(0.1)	(0.2)
Administrative expenses	8	(3.8)	(2.7)
		(216.5)	(216.2)
Net withdrawals from dealings with members		(197.1)	(191.8)
Returns on investments			
Investment income	9	22.9	17.7
Change in market value of investments	10	190.4	(154.4)
Investment management expenses	18	(1.2)	(1.4)
Net returns on investments		212.1	(138.1)
Net increase / (decrease) in the fund		15.0	(329.9)
Opening net assets		2,969.2	3,299.1
Closing net assets		2,984.2	2,969.2

The notes on pages 49 to 62 form part of these Financial Statements.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at 31 March 2026

	Note	2026 £million	2025 £million
Investment assets			
Bonds	10	2,931.7	-
Pooled investment vehicles	11	1,545.7	2,924.8
Derivatives	12	34.3	-
AVC investments	13	8.8	9.0
Cash	14	125.8	0.4
Other investment balances	14	30.7	31.3
Amounts receivable under reverse repurchase agreements	15	207.3	-
		4,884.3	2,965.5
Investment liabilities			
Derivatives	12	(18.8)	-
Other investment balances	14	(41.8)	-
Amounts payable under repurchase agreements	15	(1,845.4)	-
		(1,906.0)	-
Total net investments		2,978.3	2,965.5
Current assets	21	9.7	5.8
Current liabilities	22	(3.8)	(2.1)
Total net assets available for benefits		2,984.2	2,969.2

The Financial Statements summarise the transactions of the Group and deal with the net assets available for benefits at the disposal of the Group Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Group year. The actuarial position of the Group, which does take account of such obligations, is dealt with in the report on Actuarial Liabilities on pages 15 to 16 of this Annual Report and these Financial Statements should be read in conjunction with this report. The notes on pages 49 to 62 form part of these Financial Statements.

The Financial Statements on pages 47 to 62 were approved by the Group Trustees on 5 August 2026.

Approved by and signed on behalf of the Group Trustees:

Martine Trouard-Riolle
On behalf of Capital Cranfield
Pension Trustees Limited - Chair of the Group Trustees

Gary Marsh
Director

Notes to the Financial Statements

Year ended 31 March 2026

1. Basis of preparation of the financial statements

The individual financial statements of E.ON UK Group of the Electricity Supply Pension Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (Revised June 2018) ("the SORP").

2. Identification of the financial statements

The Group is established as a trust under English law. The ESPS is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by the Employers are normally eligible for tax relief, and income and capital gains earned by the Group are generally tax exempt. The address for enquiries to the Group is Broadstone, 2 Rye Hill Office Park, Birmingham Road, Coventry, CV5 9AB.

3. Summary of material accounting policies

The material accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Currency

The Group's functional currency and presentational currency is pounds sterling (GBP).

Assets and liabilities in foreign currency are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

Contributions

Normal and additional voluntary contributions, both from employees and employers (including salary sacrifice), are generally accounted for on an accruals basis in the payroll period to which they relate. In the case of member contributions this is when deducted from pay.

Employers' Early Retirement contributions, Rule 29 and Supplementary pensions funding contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such agreement, when received.

Employers' deficit funding contributions are accounted for on the due dates set out in the Schedule of Contributions, or on receipt if earlier, with the agreement of the Employer and Group Trustees.

Transfers to and from the Group

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Group. They are accounted for on an accruals basis on the date the trustees of the receiving plan accept the liability. In the case of individual transfers, this is normally when payment of the transfer value is made.

Benefits and payments to and on account of leavers

Pensions in payment are accounted for in the period to which they relate.

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later date of retirement and the date the option is exercised.

Other benefits are accounted for on an accruals basis on the date of retirement or death as appropriate. Refunds and opt-outs are accounted for when the Group Trustees are notified of the members' decision to leave the Group.

Where the Group Trustees agree or are required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any tax liability due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within benefits.

Administrative and other expenses

Administrative expenses, including the PPF and other levies, are accounted for on an accruals basis.

Investment income and expenditure

Income from any pooled investment vehicles which distribute income is accounted for on an accruals basis on the date stocks are quoted ex-dividend, or in the case of unquoted instruments, when the dividend is declared.

Other interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

Investment income includes withholding taxes. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment income.

The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Group such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

Valuation and classification of investments

Investment assets and liabilities are included in the Financial Statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted and other unit prices are not available, the Group Trustees adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the Notes to the Financial Statements where used.

The methods of determining fair value for the principal classes of investments are:

- Certain bonds and pooled investment vehicles, which are traded on an active market, are included at the quoted price, which is normally the bid price;
- Unitised pooled investment vehicles, which are not traded on an active market, but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end;
- The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Group Trustees. Where the value of the pooled investment vehicle is primarily driven by fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made;
- The Group holds some historic annuity policies in the name of the Group Trustees. Given the levels involved, these annuity policies have been excluded from the financial statements on the grounds of materiality.
- Swaps are valued at the net present value of future cash flows arising from them.
- Exchange traded futures are valued as the sum of the daily mark-to-market, which is a calculated difference between exchange settlement prices and inception prices.
- Repurchase agreements (repo) are recognised and valued as collateral and are included in the Financial Statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount. The underlying bonds transferred under these agreements remain recognised at fair value.
- Reverse repurchase agreements (reverse repos) are recognised and valued as collateral and are included in the Financial Statements. The cash advanced under these agreements is recognised as a receivable asset and the amount due from the counterparty is recognised at fair value. Securities received as collateral under these agreements are not recognised as investments in the Financial Statements as the Group does not obtain the risks and rewards of ownership.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements

The Group Trustees have not had to make any critical judgements in applying the accounting policies.

Key accounting estimates and assumptions

The Group Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Group, the Group Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Group's investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included within note 19.

4. Contributions

	2026 £million	2025 £million
Employers		
Normal	10.8	16.7
Salary sacrifice*	4.4	4.0
Salary sacrifice – AVCs**	0.4	0.4
Special		
Early retirement	2.8	2.2
Supplementary pensions funding***	0.4	0.1
Rule 29	0.1	0.1
Employees		
Normal	0.1	0.7
AVCs	0.4	0.2
	19.4	24.4

*Under the salary sacrifice arrangement, £4.4m (2025: £4.0m) of contributions were met by the employer rather than the employees.

**Under the salary sacrifice arrangement, £0.4m (2025: £0.4m) of additional voluntary contributions were met by the employer rather than the employees.

***Supplementary pensions funding represents Employer contributions to grant additional benefits on early retirement including Rule 32 payments (grant of special terms).

5. Benefits paid or payable

	2026 £million	2025 £million
Pensions	197.6	197.7
Lump sum retirement benefits and commutations	10.3	11.3
Purchase of annuities on retirement (AVCs)	0.6	0.8
Lump sum death benefits (in service)	0.5	0.3
Lump sum death benefits (in retirement)	0.1	0.1
Taxation where annual or lifetime allowance exceeded	-	0.1
	209.1	210.3

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Group in exchange for the Group settling their tax liability.

6. Payments to and on account of leavers

	2026 £million	2025 £million
Transfer values paid to other pension arrangements:		
Individual transfers	3.1	3.0
Individual transfers – AVCs	0.4	-
	3.5	3.0

7. PPF and other levies

	2026 £million	2025 £million
Pensions Protection Fund (PPF) levy	-	0.1
Pensions Regulator levy	0.1	0.1
	0.1	0.2

8. Administrative expenses

	2026 £million	2025 £million
Actuarial	1.5	0.6
Administration	1.5	1.1
Audit	0.1	0.1
Covenant assessment advice	0.1	-
Share of ESPS administration	-	0.2
Legal	0.1	0.1
Other professional fees	0.3	0.3
Support and other costs	0.2	0.3
	3.8	2.7

Other than those shown above, all administrative expenses incurred by the Group, and not directly related to the investment management of the securities, were met by the Principal Employer.

9. Investment income

	2026 £million	2025 £million
Income from bonds	42.7	-
Income from pooled investment vehicles	13.1	17.5
Interest on repurchase agreements - net	(32.0)	-
Other	(0.9)	0.2
	22.9	17.7

10. Reconciliation of net investments

	Opening value £million	Purchases and derivative payments £million	Sales proceeds and derivative receipts £million	Change in market value £million	Closing value £million
Bonds	-	4,257.7	(1,369.3)	43.3	2,931.7
Pooled investment vehicles	2,924.8	2,882.9	(4,414.8)	152.8	1,545.7
Derivatives	-	106.8	(79.4)	(11.9)	15.5
AVC investments	9.0	0.6	(1.6)	0.8	8.8
	2,933.8	7,248.0	(5,865.1)	185.0	4,501.7
Cash	0.4				125.8
Amounts due under repurchase agreements (net)	-				(1,638.1)
Other investment balances	31.3				(11.1)
Total net investments	2,965.5				2,978.3

Change in market value reconciliation

	2026 £million	2025 £million
Change in market value from reconciliation of net investments	185.0	(155.2)
Exchange gains	5.4	0.8
	190.4	(154.4)

Investment transaction costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation above. Direct transaction costs incurred are analysed as follows:

	Pooled investment vehicles £ million	2026 £ million	2025 £ million
Fees	0.1	0.1	-
Commissions	-	-	-
Taxes	-	-	-
Total	0.1	0.1	-

In addition to the direct transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It has not been possible for the Group Trustees to quantify such indirect transaction costs.

11. Pooled investment vehicles

	2026 £million	2025 £million
Equities	822.1	410.2
Bonds	347.0	400.5
Hedge funds	158.7	329.3
Diversified growth funds	15.1	52.7
Private equity	172.6	200.2
Liability driven investments	-	1,372.7
Cash and other liquid assets	30.2	159.2
	1,545.7	2,924.8

The Group held a bespoke Liability Driven Investment (LDI) portfolio as at 31 March 2025, but this was sold in the year to 31 March 2026 as part of the transition of investments to Schroders. The portfolio has been included above in the pooled investment vehicles in the 2025 comparative column, was specifically tailored for the Group's individual requirements and there were no other investors in it.

The LDI portfolio has the following investments:

	2026 £million	2025 £million
Bonds	-	2,559.3
Swaps – net	-	(84.9)
Repurchase agreements - net	-	(1,068.4)
Cash and other liquid assets	-	(33.3)
	-	1,372.7

At 31 March 2026 and 31 March 2025 the Group was the sole investor in Cambridge Associates LLC's Westwood NAP, LP fund. This fund has also been included above in the pooled investment vehicles, is specifically tailored for the Group's individual requirements and there are no other investors in it.

The Westwood NAP, LP fund has the following investments:

	2026 £million	2025 £million
Private equity	172.6	200.2

Direct transaction costs have been incurred on the sole investor arrangements of £nil (2025: £nil).

12. Derivatives

Objectives and policies for holding derivatives

The Group Trustees have authorised the use of derivative financial instruments by their investment managers as part of their investment strategy as follows:

- **Forward foreign currency:** The Trustees invest in overseas markets and assets denominated in foreign currency in order to construct a suitably diversified investment portfolio. Bearing in mind the Trustees' obligation to settle benefits in sterling, the Trustees have agreed a maximum net exposure to foreign currencies of 15% of net DB investments and have entered into forward foreign currency contracts to achieve this.
- **Futures:** Where cash is held for short-term liquidity, the Trustees have entered into index-based contracts of equivalent economic value to avoid being 'out-of-the-market'.
- **Swaps:** The Trustees aim to match the liability-driven element of the investment portfolio with the Scheme's long term liabilities, particularly in relation to the sensitivities to interest rate movements. Due to the lack of available long-dated bonds the Trustees hold interest-rate and inflation swaps to extend the duration and match more closely with the Scheme's liability profile.
- **Options:** Equity option contracts have been entered into in order to allow the Scheme to benefit from potentially greater returns from equities whilst minimising the risk of loss through adverse market movements.

Outstanding derivative financial instruments at the year-end are summarised as follows:

	2026 Assets £million	2026 Liabilities £million	2026 Total £million	<i>2025 Assets £million</i>	<i>2025 Liabilities £million</i>	<i>2025 Total £million</i>
Over-the-counter contracts						
Forward foreign currency	0.2	(4.3)	(4.1)	-	-	-
Futures	-	-	-	-	-	-
Swaps	10.0	(1.7)	8.3	-	-	-
Options	24.1	(12.8)	11.3	-	-	-
	34.3	(18.8)	15.5	-	-	-

Forward foreign currency

Type of contract	CCY	Currency bought £million	CCY	Currency sold £million	2026 Assets £million	2026 Liabilities £million
OTC traded less than 1 month	GBP	96.3	EUR	(97.0)	-	(0.7)
OTC traded less than 1 month	EUR	3.0	GBP	(3.0)	-	-
OTC traded less than 1 month	USD	19.7	GBP	(19.5)	0.2	-
OTC traded less than 1 month	GBP	514.3	USD	(517.9)	-	(3.6)
OTC traded less than 1 month	GBP	10.1	JPY	(10.1)	-	-
		<u>643.4</u>		<u>(647.5)</u>	0.2	(4.3)

The nominal value represents the sterling value of the foreign currency amount of the contract translated at the year-end spot rate.

Futures

Type of future	Expiration	Economic exposure at year end £million	2026 Assets £million	2026 Liabilities £million
Assets				
Overseas Exchange Traded	1-3 months	1.8	-	-
			-	-

Swaps

Type of contract	Duration Years	Nominal amount £million	2026 Assets £million	2026 Liabilities £million
Inflation Swap	<1 year	2.5	-	(0.1)
Inflation Swap	1-5 years	107.1	4.0	(0.2)
Inflation Swap	6-15 years	34.8	1.2	(0.2)
Inflation Swap	>15 years	74.9	2.2	(0.6)
Interest Rate Swap	1-5 years	40.6	0.2	(0.6)
Interest Rate Swap	6-15 years	92.0	2.4	-
			10.0	(1.7)

Options

Type of contract	Duration Years	Nominal amount £million	2026 Assets £million	2026 Liabilities £million
Stock Call Option	<1 year		16.2	-
Stock Call Option	1-5 years		7.9	-
Stock Put Option	<1 year		-	(7.0)
Stock Put Option	1-5 years		-	(5.8)
			24.1	(12.8)

The notional principal represents the value of the underlying stock protected by the option contracts. At 31 March 2026 cash collateral of £16.5m was posted by each counterparty in favour of the Group, comprising bonds and cash.

13. AVC Investments

The number of AVC accounts (including "frozen" accounts) as at 31 March 2026 was 305 (2025: 308). In some cases members have two or more accounts.

The aggregate amounts of AVC investments held in pooled investment vehicles are as follows:

	2026 £million	2025 £million
Aviva	7.9	7.7
Prudential Assurance Society	0.6	0.5
Standard Life Assurance	0.3	0.8
	8.8	9.0

14. Cash and other investment balances

	2026	2025
	£million	£million
Cash – sterling	123.7	-
Cash – foreign currency	2.1	0.4
Accrued interest and dividends	24.3	1.3
Amounts receivable from sale of investments	6.4	30.0
Amounts payable for the purchase of investments	(41.8)	-
Total cash and other investment balances	114.7	31.7

15. Amounts due under repurchase and reverse repurchase agreements

	2026	2025
	£million	£million
Amounts receivable under reverse repurchase agreements	207.3	-
Amounts payable under repurchase agreements	(1,845.4)	-
Total amounts due under repurchase agreements	(1,638.1)	-

Bonds with a fair value of £1,833m have been sold subject to repurchase contracts and therefore continue to be recognised in the Financial Statements. There are 56 repurchase agreements, with maturity dates between April 2026 and September 2026. Bonds with a fair value of £203m received as collateral in respect of the reverse repurchase agreements are not recognised in the financial statements. Cash delivered to the counterparty is recognised as amounts receivable in the table above. There are 9 reverse repurchase agreements with maturity dates between April 2026 and July 2026.

16. Employer related investments

As at 31 March 2026 and 31 March 2025 the Group had none of its assets invested directly in E.ON UK plc or its associated companies. The Group Trustees recognise that indirect investment in such companies is possible through holdings in pooled investment vehicles. However, the Group Trustees believe that the diversification across the Group's assets by asset class, manager and fund means that any indirect exposure through pooled funds is likely to be negligible at any time during the year and at year end.

17. Concentration of investments

Investments accounting for more than 5% of the net assets of the Group at either 31 March 2026 or 31 March 2025 were:

	2026	2026	2025	2025
	£million	%	£million	%
Westwood NAP LP	172.6	5.8	200.2	6.7
Insight LDI Active 29 Fund	-	-	1,372.7	46.2
JPM GBP Liquidity LVNAV Capital	-	-	157.0	5.3

18. Investment management expenses

Investment management fees for Group-specific funds, performance measurement services and investment-related fees of Group advisers are the responsibility of the Group Trustees. The Scheme Trustee negotiates the custody fees which apply to all portfolios. Investment management and custody fees for Group-specific funds are shown below.

	2026 £million	2025 £million
Administration and management	(0.1)	(0.4)
Custody and accounting	0.1	0.1
Investment advice – DB	0.8	1.7
Legal	0.3	-
Other	0.1	-
	1.2	1.4

19. Fair value of investments

The fair value of investments has been determined using the following hierarchy:

- Level 1: Unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.
- Level 2: Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.
- Level 3: Inputs are unobservable.

Where multiple inputs are involved in determining the fair value of an instrument, the categorisation is based on the lowest level input (i.e. highest number) that is significant.

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other equities, bonds and pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Group Trustees. Where the value of the pooled investment vehicle is primarily driven by fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made. No such adjustments have been made to the valuations at 31 March 2026 or 31 March 2025.

The Group's investment assets and liabilities have been included at fair value within the categories as follows:

	Level 1 £million	Level 2 £million	Level 3 £million	2026 Total £million
Investment assets				
Bonds	-	2,931.7	-	2,931.7
Pooled investment vehicles	-	1,310.7	235.0	1,545.7
Derivatives	-	34.3	-	34.3
AVC investments	-	8.8	-	8.8
Cash	125.8	-	-	125.8
Other investment assets	30.7	-	-	30.7
Amounts receivable under reverse repurchase agreements	-	207.3	-	207.3
Investment liabilities				
Derivatives	-	(18.8)	-	(18.8)
Other investment liabilities	(41.8)	-	-	(41.8)
Amounts payable under repurchase agreements	-	(1,845.4)	-	(1,845.4)
	114.7	2,628.6	235.0	2,978.3

Analysis for the prior year end is as follows:

	Level 1 £million	Level 2 £million	Level 3 £million	2025 Total £million
Investment assets				
Bonds	-	-	-	-
Pooled investment vehicles	-	2,626.5	298.3	2,924.8
Derivatives	-	-	-	-
AVC investments	-	9.0	-	9.0
Cash	0.4	-	-	0.4
Other investment assets	31.3	-	-	31.3
Amounts receivable under reverse repurchase agreements	-	-	-	-
Investment liabilities				
Derivatives	-	-	-	-
Other investment liabilities	-	-	-	-
Amounts payable under repurchase agreements	-	-	-	-
	31.7	2,635.5	298.3	2,965.5

20. Investment risks

Financial Reporting Standards (FRS) 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk as follows:

- **Currency risk:** this is risk that fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates;
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates; and
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group Trustees determine their investment strategy after taking advice from a professional investment adviser. The Group has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Group Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which take into account the Group's strategic investment objectives. These investment objectives and risk limits are implemented through the investment agreements in place with the Group's investment managers and monitored by the Group Trustees by regular reviews of the investment portfolio.

Further information on the Group Trustees' approach to risk management, credit and market risk is set out below. This does not include the legacy insurance policies or AVC investments as these are not considered significant to the overall investments of the Group.

The following table summarises the extent to which the various classes of investments (with the underlying assets of the LDI fund split out for the purposes of this analysis) are affected by financial risk:

	Credit risk	Market risk			2026	2025
		Currency	Interest rate	Other price	£ million	£ million
Bonds	●	○	●	○	2,931.7	2,559.3
Pooled investment vehicles	●	○	○	●	1,545.7	1,552.1
Derivatives	○	○	○	○	15.5	(84.9)
Repurchase agreements - net	○	○	○	○	(1,638.1)	(1,068.4)
Cash and other investment assets	●	○	○	○	123.5	7.4
Total					2,978.3	2,965.5

In the above table, the risk noted effect the asset class [●] significantly, [○] partially or [○] hardly/not at all.

Investment Strategy

The investment objective of the Group is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits payable under the Trust Deed and Rules as they fall due.

The Group Trustees set the investment strategy taking into account considerations such as the strength of the Employer covenant, the long term liabilities and the funding agreed with the Employer. The investment strategy is set out in the Group's Statement of Investment Principles ("SIP").

The current strategy is to hold a portion of the assets (approximately 30% at the year-end) in investments that move in line with the long-term liabilities of the Group. This is referred to as LDI and comprises UK and overseas government and corporate bonds and interest rate swaps, the purpose of which is to hedge against the impact interest rate movement on long term liabilities.

The remaining assets are held in return seeking investments comprising UK and overseas equities, equity futures, return seeking credit, hedge funds, commodities and private equity.

Credit Risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of the investments amongst a number of pooled arrangements. The Group Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Group comprise unit linked insurance contracts and authorised unit trusts.

A summary of pooled investment vehicles by type of arrangement is as follows:

Type of arrangement	2026 £m	2025 £m
Open-ended investment companies	603.8	640.7
Shares of limited liability partnerships	307.8	383.9
SICAV/UCITS	571.6	328.8
Sole investor authorised fund	-	1,372.7
Cayman Island exempted company	52.6	198.7
Irish plc debt security	9.9	-
Total	1,545.7	2,924.8

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by limiting the total proportion of the return seeking portfolio that may be invested in pooled investment vehicles that can hold sub-investment grade bonds.

The information about exposures to and mitigation of credit risk above applied at both the current and previous year end.

Currency Risk

The Group is subject to currency risk because some of the Group's investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure).

The Group Trustees consider currency risk as part of the overall determination of the investment strategy, therefore no further mitigation is deemed necessary.

Interest Rate Risk

The Group is subject to interest rate risk because some of the Group's investments are held in bonds, interest rate swaps and cash. The Group Trustees have set a benchmark for total investment in bonds and interest swaps of between 45% and 100% of the total actuarial liabilities as part of their LDI investment strategy. Under this strategy, if interest rates fall, the value of the LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the year-end the LDI portfolio represented 26% of the total investment portfolio (2025: 46%).

Other Price Risk

Other price risk arises principally in relation to the Group's return seeking portfolio which includes equities held in pooled vehicles, return seeking credit, hedge funds, alternatives and private equity. At the year-end the return seeking portfolio represented 40% of the total investment portfolio (2025: 54%).

The Group manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

21. Current assets

	2026 £million	2025 £million
Amounts due in respect of:		
Contributions due from the Employers	3.7	2.3
Contributions due from Employees	0.3	-
VAT recoverable	0.3	0.9
Cash balances	5.4	2.6
	9.7	5.8

All contributions due to the Group at the year-end relate to March 2026 and March 2025 and were paid in full to the Group in accordance with the Schedule of Contributions.

22. Current liabilities

	2026 £million	2025 £million
Benefits payable	(2.9)	(0.7)
Accrued expenses	(0.9)	(1.4)
	(3.8)	(2.1)

23. Related party transactions

Other than as disclosed elsewhere in the notes to the financial statements, related party transactions and balances comprise:

Key management personnel

Contributions and contributions receivable in respect of no (2025: 0) Group Trustees during the year and pensions paid in respect of 5 (2025: 5) Group Trustees. These were all in accordance with the Trust Deed and Rules.

In the year to 31 March 2026 fees and expenses of £204,935 (2025: £280,928) were paid to certain Group Trustees from the Group.

Employers and other related parties

Administrative services of £243,695 (2025: £222,834) provided by the Employer and recharged to the Group and are accounted for within administrative expenses.

24. Guaranteed Minimum Pension (“GMP”) Equalisation

The Group undertook a process of assessing the overall impact of the October 2018 ruling regarding GMP Equalisation and based on an initial assessment by the actuary, an estimate of £8 million was determined for the full liability.

The Group Trustees wrote to an initial tranche of affected pensioner members in July 2023 explaining that they were proposing to address the historical inequality relating to GMP benefits via a GMP conversion method, combined with a Pension Increase Exchange (PIE) exercise for eligible members. This conversion and PIE exercise was completed in February 2024, when any revised pensions and back-payments due were paid. Active members and members with deferred benefits who are affected by this matter were contacted in May 2025 with details of the Group Trustees’ proposal to address the historical inequality relating to GMP benefits via a GMP conversion method. Remaining pensioner members will be contacted in due course. The Group Trustees have not included a liability in respect of these members in these Financial Statements as it is not expected to be material.

On 20 November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking group pension schemes. This follows from the original judgement in October 2018. This latest judgment confirmed that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Group has historical transfers which may be subject to adjustment as a result of this second ruling. The Group Trustees are currently considering this and decisions will be made in the near future as to the next steps. Any adjustments necessary will be recognised in the Financial Statements in future years. An initial estimate of the value of such adjustments has been calculated and based on this the Group Trustees do not expect a material liability to arise.

25. Contingent liabilities and contractual commitments

In the opinion of the Group Trustees, the Group had no (2025: none) contingent liabilities or contractual commitments entered into which are not provided for in these Financial Statements.

26. Subsequent events

There are no subsequent events requiring disclosure in the Financial Statements.