

Registered numbers:
National Nuclear Laboratories Section: 19002035
Cavendish Nuclear Section: 19002036
Atkins Section: 19002037
Site Licence Company Section: 19002038

MAGNOX ELECTRIC GROUP OF THE ELECTRICITY SUPPLY PENSION SCHEME

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

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
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Magnox Electric Group of the Electricity Supply Pension Scheme
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Message from the Chair of Group Trustees

Message from the Chair of Group Trustees

I am pleased to present the Magnox Electric Group (“the Group”) of the Electricity Supply Pension Scheme (“the Scheme”) Annual Report and Financial Statements for the year ended 31 March 2026 (“Scheme Year”).

The Scheme Year has been a significant and productive period for the Group. A key focus for the Group Trustees has been the completion of the triennial actuarial valuation as at 31 March 2025. This exercise, undertaken at least every three years, forms an important part of the Scheme’s governance framework, providing an assessment of its financial position. This valuation has been prepared in line with the new Defined Benefit funding code, which places greater emphasis on long-term planning, with the aim of schemes being fully funded and less reliant on the employer over time, thereby strengthening the security of members’ benefits.

With the support of the Group’s advisers, the Group Trustees have reviewed the Group’s assets, liabilities and resulting funding position. The valuation has now been completed and agreed between the Group Trustees and each Section Lead Company, and I am pleased to confirm that all four sections of the Group remain in a healthy funding position.

There have also been several changes to the composition of the Trustee Board during the Scheme Year. Martin Turner, Fergus Hall and Martin Veasey retired as Trustees, having each provided many years of dedicated service. The Group Trustees would like to thank them for their commitment and for the significant contributions they made to the governance, investment and oversight of the Group.

During the year, the Group Trustees also completed the 2025 Member Nominated Trustee selection process. This was a competitive exercise, and the Group Trustees were pleased by the high calibre of applications received. Following this process, Ceri Davies and Lisa Thomas were reappointed and Ashley White, Programme Manager based at Wylfa was appointed as a new Group Trustee.

All appointments took effect from 1 January 2026. The Group Trustees are also pleased to welcome Keith Scott of Law Debenture to the Trustee Board. Keith will serve on the Investment Committee and brings extensive experience in investment, risk and pension scheme management, further strengthening the Board.

We also made good progress on several projects during the year, including the Guaranteed Minimum Pension rectification exercise, which is now approaching its final phases.

Looking ahead to the next 12 months, we will work with our advisers to update our procedures to comply with changes to inheritance tax, which will come into force in April 2027.

Susan Jee
Chair

Date: 10 August 2026

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Report of the Group Trustees

Report of the Group Trustees

Introduction

This Annual Report and Financial Statements is produced by the Group Trustees for the members of the Magnox Electric Group of the Electricity Supply Pension Scheme (the 'Group'). The Group is part of an industry-wide pension scheme in which the Participating Employers are companies formed upon the privatisation of the electricity industry in 1990 or their successors. The Electricity Supply Pension Scheme (the 'Scheme') has 22 (2025: 22) separate actuarially independent sections (known as Groups) in respect of the companies participating in the Scheme as Principal Employers, and each Group has its own assets to fund the benefits of its members. Information relating to the Scheme as a whole can be found in the Scheme Annual Report and Financial Statements.

The Scheme is established under irrevocable trusts and its provisions are set out in the Clauses and Rules contained in the Scheme document. Membership of the Group has been closed to new employees since 31 August 2007 when alternative arrangements were put in place.

The Scheme is a registered pension scheme under the Finance Act 2004 and was primarily contracted out of the State Second Pension.

The Principal Employer is Nuclear Restoration Services Ltd (NRS). AtkinsRéalis UK Ltd, UK National Nuclear Laboratory Ltd, Cavendish Nuclear Ltd and Sellafield Limited are participating employers. The Group Annual Report and Financial Statements include information on the defined benefit arrangements of the Group as well as aggregate information on additional voluntary contributions (AVC Investments) made by individual members of the Group.

The Group's Financial Statements starting on page 30 have been prepared and audited so as to comply with Regulations made under Sections 41(1) and (6) of the Pensions Act 1995.

Group Management

The Group is administered by a body of Trustees known as Group Trustees. The Group Trustee structure of the Magnox Electric Group provides for a total of ten Group Trustees, five appointed by Nuclear Restoration Services Ltd and five who represent members.

In the event of an issue being put to a vote at a meeting, each Appointed Group Trustee, with the exception of the Chair, has one and a quarter votes and each member representative Group Trustee has one vote. In the event of an equality of votes the Chair has the discretion to exercise their only vote, which is a casting vote, to resolve the issue concerned. In the year under review there were no occasions on which the Chair used this casting vote.

Member representative appointments are made through a selection process, as described under the appointment and removal section.

The Group Trustees' duties and responsibilities are carried out by a trust company, limited by guarantee, called Magnox Electric Group Pension Trustee Co Ltd (the "Group Trustee").

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The Directors of Magnox Electric Group Pension Trustee Co Ltd have the same functions as individual Group Trustees. The rules for their appointment, selection and tenure of office are documented in the Articles of Association and are exactly the same as individual Group Trustees, as are their responsibilities under the provisions of the Group and pensions legislation. For simplicity the term 'Group Trustees' has been used in this Report as shorthand for the more accurate term 'Directors of Magnox Electric Group Pension Trustee Co Ltd'.

There is also a central Scheme Trustee, Electricity Pensions Trustee Limited (EPTL). EPTL is a trust corporation with a Board of Directors.

Group Trustees

APPOINTED TRUSTEE DIRECTORS

Susan Jee Chair of the Group Trustees

Martin Veasey Member of the Investment Sub-committee (Independent Trustee)¹ resigned 31 March 2026

Alison Hammond Chair of the Governance & Audit Sub-committee (Head of Finance NRS Ltd)² resigned 31 August 2025

Joanna Matthews from Capital Cranfield Pension Trustee Ltd, (Independent Trustee), Chair of the Investment Sub-committee¹

Ann Lee (Senior HR Business Partner NRS Ltd)^{2,3}

Emma New Chair of the Governance & Audit Sub-committee (FA&R Senior Business Analyst NRS Ltd)² appointed 1 September 2025

Keith Scott Law Debenture (Independent Trustee)¹ appointed 27 April 2026

MEMBER REPRESENTATIVE TRUSTEE DIRECTORS

Ceri Davies (Retired employee)^{1,4}

Fergus Hall (Retired employee)^{2,4} resigned 31 December 2025

Lisa Thomas (HR Business Partner NRS Ltd)^{2,3}

Martin Turner (Retired employee)⁴ resigned 31 December 2025

Bill Root (Retired employee)^{1,4}

Billy Davies (Construction Manager NRS Ltd)¹

Ashley White (Programme Manager NRS Ltd)^{2,3} appointed 1 January 2026

Note:

1. Member of the Investment Committee at 31 March 2026

2. Member of the Governance & Audit Sub-committee at 31 March 2026

3. Active member of the Group

4. In receipt of pension from the Group

Appointment and Removal of Group Trustees

The five Appointed Group Trustees are appointed by, and can be removed by, NRS Ltd. The five member representative Group Trustees have been appointed by a selection panel. In addition to changes that take place at a selection process, a member representative Group Trustee ceases to be a Group Trustee if they resign, cease to be a contributing member or pensioner of the Group, or are removed from office by a majority of the other Elected Group Trustees. A casual vacancy for a member representative Group Trustee can be filled by a person nominated by the remaining member representative Group Trustees. Member representative Group Trustees normally serve for a term of six years.

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Once having taken up office all Group Trustees - both member representative and Appointed - act on behalf of and are accountable to all members of the Group.

Meetings of the Group Trustees during the Year

During the year the Group Trustees met four times. At their regular meetings the Group Trustees dealt with all matters relating to the management of the Group members' benefits, funding, governance matters and the investment of the Group's assets. They also received periodic reports and presentations from their committees, working groups and advisers. In addition Group Trustees maintained and monitored their Risks and Business Plan and received training.

Trustee Sub-committees

In addition to the meetings of the Group Trustees, certain matters were subject to detailed consideration in Trustee Committees. During the year there were two Trustee Committees in operation.

The Investment Sub-committee is the main interface with investment managers allowing its members to maintain an in-depth knowledge and understanding of them and the Group's investments. Its main aim is to ensure sufficient time is available for investment matters to be properly addressed. The Sub-committee reports comprehensively to the Group Trustees on the performance of the Group's investments and any other matters it has reviewed or considered. The Sub-committee members are set out on page 3. In addition the Principal Employer (Nuclear Restoration Services Limited) may nominate not more than two individuals to be non-voting members of the Sub-committee. Group Trustees who are not members of the Sub-committee routinely attend meetings of the Sub-committee as and when they are able to do so. The Investment Sub-committee met four times during the year.

There is a Governance and Audit Sub-committee which advises the Group Trustees on agreed aspects of the Group's governance and controls to provide assurance of effective stewardship. Its main aim is to ensure sufficient time is available for governance, risk and audit matters to be properly addressed as well as the distribution of discretionary death benefits. The Sub-committee provides comprehensive reports of their meetings which are open for any Group Trustee who is not a member of the Sub-committee to attend. This Sub-committee met four times during the year.

Communication with members was maintained by means of Pensions Update newsletters and articles on the website.

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Statement of Group Trustees' Responsibilities

The Group Trustees' 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 Trustees. Pension scheme regulations require, and the Group Trustees are 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 Trustees are 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 Trustees are also responsible for making available certain other information about the Group in the form of an annual report.

The Group Trustees have a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to them 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 Trustees are also responsible for the maintenance and integrity of the www.my-magnox-pension.com website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Group Trustees' responsibilities in respect of contributions

The Group Trustees are 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 Trustees are 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 Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

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Additional Group Trustees' Responsibilities

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

- 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.

In carrying out their work the Group Trustees must always act impartially and in the best interests of all the members of the Group.

To assist them in their work the Group Trustees have appointed a team of professional advisers whose advice is taken into account when necessary. The advisers include lawyers, actuaries, administrators, investment consultants and investment managers. Their names are set out on pages 63 and 64. The Trustee Directors are assisted in the management of the Group by the pensions team from Nuclear Restoration Services Limited including the Group Administrator and Group Secretary, Kelly Capdeville.

Under a revised constitution introduced in January 2012, each Group within ESPS currently appoints two individuals to be Councillors on the Council which, amongst other matters, is responsible for the appointment of the Board of EPTL the Scheme Trustee. As at 31 March 2026 Ceri Davies was the councillor chosen by the member representative Trustee Directors and Kelly Capdeville was the councillor chosen by our Principal Employer. There were no Magnox Electric Group councillors represented on the Board of EPTL.

The main responsibilities of 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.

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Review of the Operation of the Electricity Supply Pension Scheme ("ESPS")

During the year the following took place:

- The Scheme's AGM took place on 18 November 2025 and was held virtually by video conferencing. The 2026 Scheme AGM will take place on 18 November 2026.
- The Board continued to monitor risks through its Risk Register which is considered at each main meeting.
- The Scheme's Tax Adviser, KPMG, review is scheduled for September 2026.
- The Scheme's Auditors were reviewed and re-engaged.
- The Capita administration contract was monitored.
- The annual Task force on Climate-related Financial Disclosure (TCFD) report was compiled.
- Considered the implications and taking required action in respect of the TPR General Code of Practice.
- Actively engaging with both the Department for Work and Pensions ("DWP") and The Pension Regulator ("TPR") regarding the requirements in respect of the Pension Dashboards.
- Maintaining the ESPS website (espspensions.co.uk).
- Various governance matters were progressed.

Administration report

Membership statistics for the year ended 31 March 2026

	Contributors	Pensioners	Dependants	Deferred pensioners	Total
At 1 April 2025	803	5,263	1,445	936	8,447
Increases					
Contributors/pensioners/dependants/deferred pensioners	-	127	99	15	241
Pension sharing orders and new equivalent pension benefit ("EPB") pensioners in payment	-	-	-	3	3
Sub Total	-	127	99	18	244
Reductions					
Contributors / deferred pensioners retiring	(68)	-	-	(59)	(127)
Deaths	(2)	(170)	(88)	(3)	(263)
Leavers with deferred pensions	(15)	-	-	-	(15)
Leavers with refunds of contributions/transfers to other schemes/cessation of child allowances	-	-	(1)	(2)	(3)
Sub Total	(85)	(170)	(89)	(64)	(408)
At 31 March 2026	718	5,220	1,455	890	8,283

The membership statistics for each section are included in appendix 1.

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Pensions increases

The Rules of the Scheme applicable to the Group provide for all 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% each section lead employer has the discretion to limit the pension increase (for their own section) to a lower figure subject to a minimum of 5%.

The pensions increase applied from 1 April 2026 to the Atkins, CN, NNL and SLC sections, was 4.5% in line with the RPI increase for the 12 months to 30 September 2025 and was therefore non-discretionary. A proportionate increase was applied to pensions which came into payment between 2 April 2025 and 1 March 2026.

The pensions increase applied from 1 April 2026 to the CARE element of the SLC CARE section, was 3.8% in line with the Consumer Price Index increase for the 12 months to 30 September 2025.

Pension increases over the previous five years were:

	Atkins section	CN section	NNL section	SLC section – Final Salary	SLC section – CARE**
1 April 2025	2.7%	2.7%	2.7%	2.7%	1.7%
1 April 2024	8.9%	5.0%*	8.9%	5.0%*	-
1 April 2023	12.6%	5.0%*	12.6%	5.0%*	-
1 April 2022	4.9%	4.9%	4.9%	4.9%	-
1 April 2021	1.1%	1.1%	1.1%	1.1%	-

*The section lead employer used their discretion to limit the pensions increase applied to their respective section.

**From 1 April 2024, the SLC section of the Magnox Group was reformed by the Energy Act 2023. From that date all relevant active members of the SLC Section started to build up pension on a Career Average Related Earnings (CARE) basis, whilst leaving accrued benefits up to 31 March 2024 unchanged. The first pensions increase for the CARE section was from 1 April 2025.

Transfers from the Group

Deferred pensioners can transfer the cash equivalent of their deferred benefits to a new employer's registered pension arrangement.

In all cases the cash equivalents paid during the year were calculated and verified in the manner prescribed by the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and full allowance is included for and in respect of increases to pensions and dependant's benefits. No allowance is made in respect of other discretionary benefits.

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Investment Report

Investment Arrangements

The investment strategies set by the Group Trustees for each Section are based on advice received from Aon Investments Limited ("AIL") and each Section takes into account the current and anticipated future pension liability profile and the strength of the employer's covenant.

The Group Trustees are responsible for making suitable arrangements for the investment of the assets of each Section and for monitoring the investment performance of those assets and do so with the support of their advisers.

Investment reports are received at quarterly intervals and fund manager representatives attend meetings of the Group Trustees as required to discuss the results of their management of assets against the agreed targets.

The names of those who manage each Section's investments can be found on page 64.

See Note 11 to the financial statements for details of the allocation of each Section's assets as at 31 March 2026.

Statement of Investment Principles

The Group Trustees have produced a Statement of Investment Principles ("SIP") for each Section in accordance with the requirements of Section 35 of the Pensions Act 1995 (as amended in 2004) and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended in 2018 & 2019). In preparing the SIPs, the Group Trustees took professional advice from AIL and consulted with the relevant sponsoring company of each Section.

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

- (a) ensuring compliance with the current investment requirements;
- (b) investment objectives;
- (c) investment strategy;
- (d) risk;
- (e) implementation;
- (f) governance and
- (g) additional voluntary contributions.

Within the implementation section of the SIPs, the Group Trustees include their policies in relation to:

- Members' views and non-financial factors;
- Stewardship (including voting and engagement);
- Arrangements with investment managers;
- Costs and performance; and
- Evaluation of performance and remuneration.

The Group Trustees' Engagement Policy Implementation Statement (EPIS) on page 69 provides further information on engagement and voting activities over the financial year.

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The Group Trustees are not aware of and have not been informed by the fund managers of any departures from the SIPs during the year. The SIPs are publicly available, and the latest versions can be found within the knowledge hub section on the Group's website: <https://www.my-magnox-pension.com/knowledge-hub/about-the-scheme/scheme-documents>

Socially Responsible Investment and Corporate Governance

The Group Trustees have delegated Socially Responsible Investment ("SRI") and corporate governance to their appointed fund managers. Where appropriate, the appointed fund managers have regard to each company's approach to social, environmental and ethical issues in assessing the long-term financial merits of investing in that company. Furthermore, they may use their influence on behalf of shareholders to seek improvements in such areas if they consider the company does not comply with good practice. The Group Trustees are satisfied with the fund managers' approach to SRI and corporate governance. Further information on how the Group Trustees manage climate risk can be found in the Group's Task Force on Climate-related Financial Disclosures (TCFD) report.

Strategic changes over the year to 31 March 2026

SLC Section

Over the year, the Group Trustees agreed that maintaining a target return of Gilts +2.0% per annum remained appropriate over the medium term. The Group Trustees also agreed to fully redeem its holdings in the Invesco UK Residential Fund, for which they entered the redemption queue in September 2025.

Cavendish Nuclear Section

Over the year, the Group Trustees agreed to target a return of Gilts +1.1% per annum. As part of this review, the Group Trustees agreed to invest in Leadenhall UCITS Insurance Linked Securities, a reduction in exposure to the PIMCO Tactical Opportunities Fund, and increased allocations to the Schroders Diversified Growth Fund and the Robeco Global Credit Fund all of which will be carried out in the year to 31 March 2027.

NNL Section

Over the year, the Group Trustees agreed to target a return of Gilts +1.1% per annum. As part of this review the Group Trustees agreed to a full disinvestment from CTI Credit Linked LDI, an investment in Leadenhall UCITS Insurance Linked Securities, a reduction in exposure to the Schroders Diversified Growth Fund, and an increased allocation to CTI Equity Linked LDI all of which will be carried out in the year to 31 March 2027.

Atkins Section

The Group Trustees made no material changes to the investment strategy over the year to 31 March 2026.

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Investment Performance

A summary of the performance of each Section against its benchmark over the last one year and three years is given in the table below.

Section	1 year to 31 March 2026		3 years (annualised) to 31 March 2026	
	Return (%)	Benchmark (%)	Return (%)	Benchmark (%)
SLC	2.3	5.8	(2.3)	(1.8)
Cavendish Nuclear	6.4	5.3	(2.3)	(3.9)
Atkins	3.6	3.9	(2.0)	(2.3)
NNL	8.0	6.6	(1.6)	1.2

Source: Aon Investments Limited. Based on manager valuation statements available within 20 business days of quarter end.

Note: Aggregated benchmarks include absolute return / fixed return / inflation-linked targets for those managers without a market benchmark and therefore while the Group Trustees would expect to meet or exceed the aggregated benchmark over the long-term, there will be periods when the returns of each Section will not keep pace.

Commentary on the relative performance of Sections is provided below.

SLC Section

The SLC section underperformed its composite benchmark over the one-year and three-year periods to 31 March 2026.

Over both periods, relative underperformance was primarily driven by the Section's illiquid growth portfolio, particularly property debt, infrastructure, and private rented and UK property holdings, where a number of assets were adversely affected by impairments and valuation pressures.

Cavendish Nuclear Section

The Cavendish Nuclear Section outperformed its composite benchmark over the one-year and three year-periods to 31 March 2026.

This outperformance was driven by strong returns from the PIMCO Tactical Opportunities Fund and the Schroders Diversified Growth Fund, which delivered 13.1% and 13.3%, respectively, over the 12 months to 31 March 2026.

Atkins Section

The Atkins Section slightly outperformed its composite benchmark over the long-term. The Section adopts a passive strategy and expects its assets to perform broadly in line with its benchmark over the long-term.

NNL Section

The NNL Section outperformed its benchmark over the one-year period, however underperformed on the three-year period.

The Section's one-year performance has been driven by holdings in the Schroders Diversified Growth Fund and the CTI Equity Linked LDI Fund. The underperformance over the three-year period was primarily driven by the Ruffer (legacy) mandate, which lagged its inflation-based target; this mandate was fully redeemed in December 2023.

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Employer Related Investments

The Investment Regulations limits 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 Group's assets had no direct exposure to the employers participating in the Group and their associated companies as at 31 March 2026. 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.

AVC Investments

During the year a number of members made additional voluntary contributions (AVC investments) via insurance companies to obtain further benefits, on a money purchase basis, within the overall limits set by HM Revenue & Customs. The Group Trustees hold these assets invested separately from the main fund in the form of insurance policies. Each member receives an annual statement at the year-end confirming the amount held in their account and the movements in the year.

Custody

The assets of the Group are subject to the overall custody and administrative control of EPTL and are held by the Scheme-wide custodian appointed by EPTL to safeguard the assets.

Bank of New York (BNY) is the custodian in relation to securities. Where certificates are available in relation to such securities, they are held by BNY 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.

The Group Trustees are responsible for instructing BNY on the day-to-day management of the assets of their Group.

For Group-specific funds, money at call and on short notice is placed in accordance with the provisions of Investment Management Agreements negotiated between Group Trustees and Group-specific fund managers. Additionally, limits are in place to minimise exposure to any one bank. In each case the Scheme is identified as the lender.

All cash is held in a bank account 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.

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Changes in Scheme Provisions

Scheme wide amendments by the Scheme Co-ordinator, Electricity Pensions Limited (EPL)

EPL may amend the provisions of the Scheme with the unanimous consent of all of the participating Principal Employers. During the year ended 31 March 2026, no Scheme-wide amendments were made.

Changes to the Group

No changes were made to the Group rules during the year.

Climate Change Related Financial Disclosures

In line with the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021, the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations 2021, and the Occupational Pension Schemes (Climate Change Governance and Reporting) Amendment, Modification and Transitional Provision Regulations 2022, the climate disclosures report for the year to 31 March 2025 for the Group can be found within the library section on the Group's website: www.my-magnox-pension.com.

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

Guaranteed Minimum Pension ("GMP") Equalisation

The Group has undertaken a process of assessing the overall impact of the October 2018 and November 2020 rulings regarding GMP Equalisation and based on an initial assessment by the actuary the Group Trustees have not included a liability in respect of these matters in these Financial Statements as the amount is not considered to be material. They will be accounted for in the year they are determined.

Recent Events

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, as it was then, to address

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Report of the Group Trustees

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 were introduced to help schemes to remove uncertainty that has arisen following the Virgin Media judgments and 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 Act 2026 received Royal Assent on 29 April 2026 and is now in force as primary legislation. The Group Trustees with its advisers will investigate the possible implications of the Pension Schemes Act 2026 and all official guidance notes and secondary legislation but at present considers any potential impact on the Groups' financial statements to be remote.

Dispute Resolution Procedure

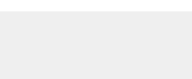
Pension legislation requires pension schemes to have procedures for the trustees to resolve disputes arising from the running of the scheme.

The Dispute Resolution Procedure for the Group is a one-stage process. A complaint from a member (including a pensioner, dependant, and deferred member) or prospective member must be addressed to the Group Trustees at the Pensions Department, Hinton House Birchwood Park Avenue, Birchwood, Warrington, Cheshire, England, WA3 6GR stating your full name and the details of your complaint. In normal circumstances your complaint will be acknowledged within one week and you will receive a written reply within four months. In practice the Group Trustees will review your complaint at its next meeting.

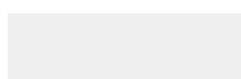
You will be notified of the Group Trustees' decision usually within fifteen days of the meeting.

This procedure has been introduced to comply with legislative requirements and does not preclude any member from raising any queries regarding the Group informally at any time. Members can do so by contacting the Group's administrators, Broadstone, 2 Rye Hill Office Park, Birmingham Road, Coventry, CV5 9AB, via email at magnox@broadstone.co.uk or via telephone at 02476 472 582.

The Report of the Group Trustees, as well as the Report on Actuarial Liabilities on pages 23 to 25, were approved by the Group Trustees and signed on their behalf on ^{Aug 10, 2026}



Group Trustee



Group Trustee

Independent auditors' statement about contributions to the Group Trustee of Magnox Electric Group of the Electricity Supply Pension Scheme

Statement about contributions

Opinion

In our opinion, the contributions required by the schedules of contributions for the Group year ended 31 March 2026 as reported in Magnox Electric Group of the Electricity Supply Pension Scheme's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the Group actuary on the dates detailed on page 18.

We have examined Magnox Electric Group of the Electricity Supply Pension Scheme's summary of contributions for the Group year ended 31 March 2026 which is set out on pages 17 and 18.

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 schedules 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.

**Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Contributions**

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Magnox Electric Group of the Electricity Supply Pension Scheme
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Summary of contributions payable to the Magnox Electric Group of the Electricity Supply Pension Scheme

During the year ended 31 March 2026, the contributions required by the schedules of contributions were as follows:

Site Licence Company Section

	Employer £ million	Employee £ million	Total £ million
Required by the schedules of contributions			
Normal*	5.6	-	5.6
Total (as reported on by the Group auditors)	5.6	-	5.6
Other contributions payable			
Other	0.9	-	0.9
AVCs*	1.4	1.5	2.9
Total (as per Fund Account)	7.9	1.5	9.4

*Under salary sacrifice arrangements, £3.8m of normal contributions and £1.4m of AVC contributions were met by the Employer rather than the Employees and are included in the £5.6m and £1.4m above.

Cavendish Nuclear Section

	Employer £ million	Employee £ million	Total £ million
Required by the schedule of contributions			
Normal*	1.3	-	1.3
Total (as reported on by the Group auditors)	1.3	-	1.3
Other contributions payable			
Other	0.1	-	0.1
Total (as per Fund Account)	1.4	-	1.4

*Under salary sacrifice arrangements, £0.1m of contributions were met by the Employer rather than the Employees and are included in the £1.3m above.

Magnox Electric Group of the Electricity Supply Pension Scheme
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Atkins Section

	Employer £ million	Employee £ million	Total £ million
Required by the schedules of contributions			
Normal	0.1	-	0.1
Total (as reported on by the Group auditors)	0.1	-	0.1

National Nuclear Laboratory Section

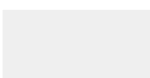
	Employer £ million	Employee £ million	Total £ million
Required by the schedules of contributions			
Normal	0.2	-	0.2
Total (as reported on by the Group auditors)	0.2	-	0.2

Summary of Schedules of Contributions in force during the year ended 31 March 2026:

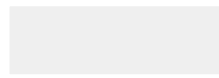
Section	Date of certification of Schedule(s)
Site Licence Company	20 March 2025 and 30 March 2026
Cavendish Nuclear	28 April 2023
Atkins	28 April 2023 and 30 March 2026
National Nuclear Laboratory	15 February 2023 and 27 March 2026

Aug 10, 2026

Approved by the Group Trustees and signed on their behalf on



Group Trustee



Group Trustee

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Contributions

Certification of schedule of contributions

Name of scheme: Magnox Electric Group of the Electricity Supply Pension Scheme
Cavendish Nuclear Section

Adequacy of rates of contributions

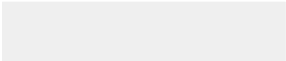
1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that—

The statutory funding objective could have been expected on 31 March 2025 to be met by the end of 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 27 April 2026.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.

Signature		Date	27 April 2026
Name	Damien Kelson	Qualification	Fellow of the Institute and Faculty of Actuaries
Address	1 Redcliff Street Bristol BS1 6NP	Name of employer	Aon Solutions UK Limited

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Annual Report and Financial Statements for the year ended 31 March 2026
Contributions

Certification of schedule of contributions

Name of scheme: Magnox Electric Group of the Electricity Supply Pension Scheme
Atkins Section

Adequacy of rates of contributions

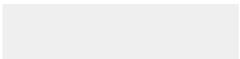
1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that—

The statutory funding objective could have been expected on 31 March 2025 to be met by the end of 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 30 March 2026.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.

Signature		Date	30 March 2026
Name	Damien Kelson	Qualification	Fellow of the Institute and Faculty of Actuaries
Address	1 Redcliff Street Bristol BS1 6NP	Name of employer	Aon Solutions UK Limited

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Contributions

Certification of schedule of contributions

Name of scheme: Magnox Electric Group of the Electricity Supply Pension Scheme
National Nuclear Laboratories Section

Adequacy of rates of contributions

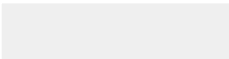
1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that—

The statutory funding objective could have been expected on 31 March 2025 to be met by the end of 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 27 March 2026.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.

Signature		Date	27 March 2026
Name	Damien Kelson	Qualification	Fellow of the Institute and Faculty of Actuaries
Address	1 Redcliff Street Bristol BS1 6NP	Name of employer	Aon Solutions UK Limited

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Contributions

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 assessed every three years using assumptions agreed between the Group Trustees and the Employer and set out in each Section's Statement of Funding Principles, a copy of which is available to Group members on request.

The most recent triennial actuarial valuations of the SLC, Cavendish Nuclear, Atkins and NNL Sections of the Group were carried out as at 31 March 2025, and the results are set out in the table below:

31 March 2025	SLC	Cavendish Nuclear	Atkins	NNL
Value of technical provisions	£2,015.2m	£45.9m	£39.0m	£7.3m
Value of assets available to meet technical provisions	£2,086.6m	£48.3m	£44.3m	£8.0m
Funding level as a percentage of technical provisions	104%	105%	114%	110%

An approximate update was performed as at 31 March 2026 for each Section and the resulting estimated funding level on each Section's technical provisions measure is set out in the table below:

31 March 2026	SLC	Cavendish Nuclear	Atkins	NNL
Approximate funding level (technical provisions)	101%	110%	114%	115%

The value of the technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence each Section 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 significant actuarial assumptions used in these calculations are as follows:

Method

The actuarial method used in the calculation of the technical provisions for each Section is the Projected Unit Method.

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
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Significant actuarial assumptions

Discount rate	<u>SLC</u> The gilt yield curve at the valuation date plus the following term-dependent risk premiums above gilts: ▪ 1.0% p.a. at 31 March 2025; ▪ Reducing linearly to 0.5% p.a. at 31 March 2040; ▪ 0.5% p.a. thereafter. <u>Cavendish Nuclear</u> The gilt yield curve at the valuation date plus a risk premium of 0.5% per annum. <u>Atkins</u> The gilt yield curve at the valuation date. <u>NNL</u> The gilt yield curve at the valuation date plus a risk premium of 0.5% per annum.
RPI inflation	Break-even inflation derived from the difference between the yields on fixed interest and index-linked gilt curves at the valuation date.
CPI inflation	Equal to the RPI inflation curve less an estimate of the gap between RPI inflation and CPI inflation. The gap between RPI inflation and CPI inflation was assumed to be 0.8% p.a. for the period to February 2030 and 0.0% p.a. thereafter. The difference between the long-term assumption for RPI and CPI inflation may vary over time.
Pension increases	Future pension increase assumptions for final salary pension in excess of GMP are derived from the RPI inflation assumption, allowing for the minimum annual increase and for RPI inflation to vary from year to year. Pension increase assumptions for CARE benefits (SLC Section only) and for post-88 GMPs are derived from the CPI inflation assumption, allowing for the maximum and minimum annual increase, and for CPI inflation to vary from year to year.

Magnox Electric Group of the Electricity Supply Pension Scheme
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Pay increases	<u>SLC</u> Equal to CPI inflation. <u>Cavendish Nuclear</u> Equal to CPI inflation plus 0.5% per annum. <u>Atkins</u> Equal to RPI inflation. <u>NNL</u> Equal to RPI inflation plus an allowance for promotional increases.
Post-retirement mortality assumption – base table	<u>SLC</u> SAPS S4P All tables for males and SAPS S4P Middle tables for females with 95% scaling factor for non-pensioner members and 90% for pensioner members. <u>Cavendish Nuclear</u> SAPS S4P All tables for males and SAPS S4P Middle tables for females with 90% scaling factor for all members. <u>Atkins</u> SAPS S4P Light tables with 95% scaling factor for all members. <u>NNL</u> SAPS S4P Light tables with 100% scaling factor for all members.
Post-retirement mortality assumption – future improvements	CMI 2024 projections with initial addition to mortality improvements (A) of 0.5%, smoothing parameter (S_k) of 7.0, a half-life of decay parameter (H) of 1.0, and a long-term improvement rate of 1.25% p.a.

Recovery plans

Recovery plan arrangements are not required for any of the Sections as none of them declared a funding deficit at the last actuarial valuation as at 31 March 2025. Contribution requirements were formalised in Schedules of Contributions, which the Group Actuary certified. Copies of the certificates can be found on pages 19 to 22 of this annual report.

Next actuarial valuation

The next triennial valuation for each Section will be performed as at 31 March 2028. There will also be an approximate annual update produced for each Section as at 31 March 2027.

Independent auditors' report to the Group Trustee of Magnox Electric Group of the Electricity Supply Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion, Magnox Electric 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Magnox Electric Group of the Electricity Supply Pension Scheme
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Financial Statements

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

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
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Fund Account for the year to 31 March 2026

	Note	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million	<i>Total 2025 £ million</i>
Additions from dealings with members							
Employer contributions	5	7.9	1.4	0.1	0.2	9.6	23.7
Employee contributions	5	1.5	-	-	-	1.5	0.2
Total contributions		9.4	1.4	0.1	0.2	11.1	23.9
Other income	6	-	-	-	-	-	0.1
		9.4	1.4	0.1	0.2	11.1	24.0
Withdrawals from dealings with members							
Benefits paid or payable	7	(135.2)	(1.5)	(2.0)	(0.3)	(139.0)	(136.4)
Payments to and on account of leavers	8	-	(0.4)	-	-	(0.4)	(2.6)
Administrative expenses	9	-	-	-	-	-	(1.2)
		(135.2)	(1.9)	(2.0)	(0.3)	(139.4)	(140.2)
Net withdrawals from dealings with members		(125.8)	(0.5)	(1.9)	(0.1)	(128.3)	(116.2)
Returns on investments							
Investment income	10	74.2	-	2.0	-	76.2	78.9
Change in market value of investments	11	(27.6)	3.1	(0.5)	0.6	(24.4)	(195.1)
Investment management expenses	12	(5.4)	-	-	-	(5.4)	(1.4)
Net returns on investments		41.2	3.1	1.5	0.6	46.4	(117.6)
Net (decrease) / increase in the fund		(84.6)	2.6	(0.4)	0.5	(81.9)	(233.8)
Opening net assets		2,101.2	49.0	44.6	8.0	2,202.8	2,436.6
Closing net assets		2,016.6	51.6	44.2	8.5	2,120.9	2,202.8

The accompanying notes on pages 32 to 58 form an integral part of these financial statements.

Magnox Electric Group of the Electricity Supply Pension Scheme
Annual Report and Financial Statements for the year ended 31 March 2026
Financial Statements

Statement of Net Assets Available for Benefits as at 31 March 2026

	Note	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million	<i>Total 2025 £ million</i>
Investment assets							
Bonds	11	134.0	-	-	-	134.0	145.2
Property loan assets	11	59.1	-	-	-	59.1	90.7
Pooled investment vehicles	14	1,800.8	50.7	18.4	8.4	1,878.3	1,912.8
Derivatives	15	5.3	-	-	-	5.3	5.3
Insurance policies	16	-	-	25.5	-	25.5	26.0
AVC investments	17	14.5	0.6	0.2	-	15.3	15.5
Cash	18	20.1	-	-	-	20.1	23.6
Other investment balances	18	1.8	-	-	-	1.8	1.8
		<u>2,035.6</u>	<u>51.3</u>	<u>44.1</u>	<u>8.4</u>	<u>2,139.4</u>	<u>2,220.9</u>
Investment liabilities							
Derivatives	15	<u>(20.9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20.9)</u>	<u>(20.3)</u>
Total net investments		<u>2,014.7</u>	<u>51.3</u>	<u>44.1</u>	<u>8.4</u>	<u>2,118.5</u>	<u>2,200.6</u>
Current assets	23	5.7	0.3	0.1	0.1	6.2	3.6
Current liabilities	24	(3.8)	-	-	-	(3.8)	(1.4)
Total net assets available for benefits		<u>2,016.6</u>	<u>51.6</u>	<u>44.2</u>	<u>8.5</u>	<u>2,120.9</u>	<u>2,202.8</u>

The financial statements summarise the transactions of the Group and deal with the net assets 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 takes into account such obligations, is dealt with in the Report on Actuarial Liabilities included within this Annual Report on pages 23 to 25, and these financial statements should be read in conjunction with this report.

Aug 10, 2026

The financial statements on pages 30 to 58 were approved by the Group Trustees on _____.

Signed on behalf of the Group Trustees:

Group Trustee

Group Trustee

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Notes to the financial statements

1. Basis of preparation

The individual financial statements of Magnox Electric 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 Magnox Electric Group of the Electricity Supply Pension Scheme is established as a trust under English law. The Electricity Supply Pension Scheme 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 relating to specific benefit entitlements is Broadstone, 2 Rye Hill Office Park, Birmingham Road, Coventry, CV5 9AB. The address of the Scheme's principal office is C/O Capita – ESPS Team, Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH.

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3. Comparative disclosures for the Fund Account and Statement of Net Assets Available for Benefits

Fund Account for the year to 31 March 2025

	Note	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Additions from dealings with members						
Employer contributions	5	22.0	1.4	0.1	0.2	23.7
Employee contributions	5	0.2	-	-	-	0.2
Total contributions		22.2	1.4	0.1	0.2	23.9
Other income	6	-	0.1	-	-	0.1
		22.2	1.5	0.1	0.2	24.0
Withdrawals from dealings with members						
Benefits paid or payable	7	(132.3)	(2.4)	(1.4)	(0.3)	(136.4)
Payments to and on account of leavers	8	(2.6)	-	-	-	(2.6)
Administrative expenses	9	(1.1)	-	(0.1)	-	(1.2)
		(136.0)	(2.4)	(1.5)	(0.3)	(140.2)
Net withdrawals from dealings with members		(113.8)	(0.9)	(1.4)	(0.1)	(116.2)
Returns on investments						
Investment income	10	77.0	-	1.9	-	78.9
Change in market value of investments	11	(185.9)	(3.9)	(4.7)	(0.6)	(195.1)
Investment management expenses	12	(1.4)	-	-	-	(1.4)
Net returns on investments		(110.3)	(3.9)	(2.8)	(0.6)	(117.6)
Net decrease in the fund		(224.1)	(4.8)	(4.2)	(0.7)	(233.8)
Opening net assets		2,325.3	53.8	48.8	8.7	2,436.6
Closing net assets		2,101.2	49.0	44.6	8.0	2,202.8

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Statement of Net Assets Available for Benefits as at 31 March 2025

	<i>Note</i>	<i>SLC Section 2025 £ million</i>	<i>CN Section 2025 £ million</i>	<i>Atkins Section 2025 £ million</i>	<i>NNL Section 2025 £ million</i>	<i>Total 2025 £ million</i>
Investment assets						
Bonds	11	145.2	-	-	-	145.2
Property loan assets	11	90.7	-	-	-	90.7
Pooled investment vehicles	14	1,838.7	47.8	18.4	7.9	1,912.8
Derivatives	15	5.3	-	-	-	5.3
Insurance policies	16	-	-	26.0	-	26.0
AVC investments	17	14.6	0.7	0.2	-	15.5
Cash	18	23.3	0.3	-	-	23.6
Other investment balances	18	1.8	-	-	-	1.8
		<u>2,119.6</u>	<u>48.8</u>	<u>44.6</u>	<u>7.9</u>	<u>2,220.9</u>
Investment liabilities						
Derivatives	15	<u>(20.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20.3)</u>
Total net investments		<u>2,099.3</u>	<u>48.8</u>	<u>44.6</u>	<u>7.9</u>	<u>2,200.6</u>
Current assets	23	3.2	0.2	0.1	0.1	3.6
Current liabilities	24	(1.3)	-	(0.1)	-	(1.4)
Total net assets available for benefits		<u>2,101.2</u>	<u>49.0</u>	<u>44.6</u>	<u>8.0</u>	<u>2,202.8</u>

4. Summary of material accounting policies

The material accounting policies applied in the preparation of these Annual Report and 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, are generally accounted for on an accruals basis in the payroll period to which they relate. In the case of employee contributions this is when they are deducted from pay.

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Employers' Rule 29 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 Schedules 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.

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 Group, 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 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.

Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. 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 taxes are accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense.

Income arising from annuity policies is included in investment income on an accruals basis.

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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:

- Equities, bonds and certain 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 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. Where valuations of funds as at the year end are not available at the time of the production of these financial statements, the Group's investment adviser assists the Group Trustees in estimating the valuation at the accounting date based on relevant factors and cash flows;
- Forward foreign exchange contracts (FFX) are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- Annuity (insurance) policies are valued by the Group Actuary at the amount of the related obligation, determined using the most recent Group funding valuation assumptions updated for market conditions at the reporting date.

Accrued interest is excluded from the market value of bonds, but is included in investment income receivable.

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.

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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 on pages 48 to 50.

5. Contributions

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Employers:					
- Normal ¹	5.6	1.3	0.1	0.2	7.2
- Other					
- Rule 29	0.1	0.1	-	-	0.2
- Salary sacrifice AVC	1.4	-	-	-	1.4
- Nuclear Decommissioning Authority	0.8	-	-	-	0.8
- Overpayment	-	-	-	-	-
Employees:					
- Normal	-	-	-	-	-
- AVCs	1.5	-	-	-	1.5
	<u>9.4</u>	<u>1.4</u>	<u>0.1</u>	<u>0.2</u>	<u>11.1</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Employers:					
- Normal ¹	19.7	1.3	0.1	0.2	21.3
- Other					
- Rule 29	0.7	0.1	-	-	0.8
- Salary sacrifice AVC	1.2	-	-	-	1.2
- Nuclear Decommissioning Authority	-	-	-	-	-
- Overpayment	0.4	-	-	-	0.4
Employees:					
- Normal	0.1	-	-	-	0.1
- AVCs	0.1	-	-	-	0.1
	<u>22.2</u>	<u>1.4</u>	<u>0.1</u>	<u>0.2</u>	<u>23.9</u>

¹Included within Normal Employers are contributions that were met by the employer rather than the employees under the salary sacrifice arrangement. The salary sacrifice contributions for the SLC Section were £3.8 million (2025: £3.0 million), and for the Cavendish Nuclear Section £0.1 million (2025: £0.1 million).

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6. Other income

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Claims on term insurance policies	-	-	-	-	-

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Claims on term insurance policies	-	0.1	-	-	0.1

7. Benefits paid or payable

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Pensions	123.2	1.4	1.5	0.3	126.4
Lump sum retirement benefits and commutations	9.1	-	0.5	-	9.6
Purchase of annuities on retirement (AVCs)	2.2	0.1	-	-	2.3
Lump sum death benefits (in service)	0.6	-	-	-	0.6
Lump sum death benefits (in retirement)	0.1	-	-	-	0.1
	135.2	1.5	2.0	0.3	139.0

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Pensions	121.5	1.3	1.4	0.3	124.5
Lump sum retirement benefits and commutations	9.0	0.8	-	-	9.8
Purchase of annuities on retirement (AVCs)	1.5	-	-	-	1.5
Lump sum death benefits (in service)	0.3	0.3	-	-	0.6
Lump sum death benefits (in retirement)	-	-	-	-	-
	132.3	2.4	1.4	0.3	136.4

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8. Payments to and on account of leavers

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Transfer values paid to other pension schemes:					
- Individual transfers	-	0.4	-	-	0.4
- Individual transfers - AVCs	-	-	-	-	-
	<u>-</u>	<u>0.4</u>	<u>-</u>	<u>-</u>	<u>0.4</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Transfer values paid to other pension schemes:					
- Individual transfers	2.1	-	-	-	2.1
- Individual transfers - AVCs	0.5	-	-	-	0.5
	<u>2.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.6</u>

9. Administrative expenses

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Other professional fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Other professional fees	<u>1.1</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>1.2</u>

All other administrative expenses are borne by the employers.

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10. Investment income

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Income from bonds	5.9	-	-	-	5.9
Income from property loan assets	4.4	-	-	-	4.4
Income from pooled investment vehicles	65.5	-	0.6	-	66.1
Income from insurance policies	-	-	1.4	-	1.4
Interest on cash deposits	0.7	-	-	-	0.7
Other investment income	0.3	-	-	-	0.3
Net interest on swaps	(2.6)	-	-	-	(2.6)
	<u>74.2</u>	<u>-</u>	<u>2.0</u>	<u>-</u>	<u>76.2</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Income from bonds	6.2	-	-	-	6.2
Income from property loan assets	4.9	-	-	-	4.9
Income from pooled investment vehicles	66.8	-	0.6	-	67.4
Income from insurance policies	-	-	1.3	-	1.3
Interest on cash deposits	1.0	-	-	-	1.0
Other investment income	-	-	-	-	-
Net interest on swaps	(1.9)	-	-	-	(1.9)
	<u>77.0</u>	<u>-</u>	<u>1.9</u>	<u>-</u>	<u>78.9</u>

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11. Reconciliation of net investments

Investment movements – SLC Section

	Value at 01.04.2025 £ million	Purchases at cost and derivative payments £ million	Sales proceeds and derivative receipts £ million	Change in market Value £ million	Value at 31.03.2026 £ million
Bonds	145.2	4.0	(15.6)	0.4	134.0
Property loan assets	90.7	22.8	(47.6)	(6.8)	59.1
Pooled investment vehicles	1,838.7	381.7	(396.3)	(23.3)	1,800.8
Derivatives – net	(15.0)	7.6	(9.0)	0.8	(15.6)
AVC investments	14.6	1.8	(1.4)	(0.5)	14.5
	<u>2,074.2</u>	<u>417.9</u>	<u>(469.9)</u>	<u>(29.4)</u>	<u>1,992.8</u>
Cash deposits	23.3				20.1
Other investment balances	1.8				1.8
Net investment assets	<u>2,099.3</u>				<u>2,014.7</u>

Change in market value – SLC Section

	2026 £ million	2025 £ million
Change in market value shown above	(29.4)	(185.1)
Exchange gains / (losses)	1.8	(0.8)
Change in market value per fund account	<u>(27.6)</u>	<u>(185.9)</u>

Derivative investments include instruments often with a short duration that are traded regularly, principally forward currency exchange contracts.

Investment transaction costs

Transaction costs incurred during the year amounted to £nil (2025: £nil). 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.

The funds in which the Group invests have different trading dates and some have notice periods which would have prevented the Group from realising these assets at the year-end date. Where the Group invests in limited partnerships it is not possible to 'trade' the holdings during the lifetime of the fund. However, the Group Trustees may transfer the interest to another party with the approval of the general partner. The transfer would typically be arranged via a competitive auction process with the interest being transferred to the investor(s) with the highest bid. Although there have been precedent competitive auctions for infrastructure assets where a sale price close to or even above the current valuation has been achieved, there is no guarantee that the Group will be able transfer its limited partner interests or achieve an attractive sale price at auction.

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Investment movements – Cavendish Nuclear Section

	Value at 01.04.2025 £ million	Purchases at cost £ million	Sales proceeds £ million	Change in market value £ million	Value at 31.03.2026 £ million
Pooled investment vehicles	47.8	4.7	(4.9)	3.1	50.7
AVC investments	0.7	0.1	(0.2)	-	0.6
	<u>48.5</u>	<u>4.8</u>	<u>(5.1)</u>	<u>3.1</u>	<u>51.3</u>
Cash deposits	0.3				-
Net investment assets	<u>48.8</u>				<u>51.3</u>

Investment transaction costs

Transaction costs incurred during the year amounted to £nil (2025: £nil). 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.

Investment movements – Atkins Section

	Value at 01.04.2025 £ million	Purchases at cost £ million	Sales proceeds £ million	Change in market value £ million	Value at 31.03.2026 £ million
Pooled investment vehicles	18.4	1.7	(1.7)	-	18.4
Insurance policies	26.0	-	-	(0.5)	25.5
AVC investments	0.2	-	-	-	0.2
Net investment assets	<u>44.6</u>	<u>1.7</u>	<u>(1.7)</u>	<u>(0.5)</u>	<u>44.1</u>

Investment transaction costs

Transaction costs incurred during the year amounted to £nil (2025: £nil). 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.

Investment movements – NNL Section

	Value at 01.04.2025 £ million	Purchases at cost £ million	Sales proceeds £ million	Change in market value £ million	Value at 31.03.2026 £ million
Pooled investment vehicles	<u>7.9</u>	<u>2.3</u>	<u>(2.4)</u>	<u>0.6</u>	<u>8.4</u>

Investment transaction costs

Transaction costs incurred during the year amounted to £nil (2025: £nil). 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.

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12. Investment management expenses

Investment management expenses 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.

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Administration and management fees	4.0	-	-	-	4.0
Other advisory fees	1.4	-	-	-	1.4
	<u>5.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5.4</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Administration and management fees	0.3	-	-	-	0.3
Other advisory fees	1.1	-	-	-	1.1
	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.4</u>

13. Taxation

The ESPS is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

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14. Pooled investment vehicles

The **SLC Section's** investment in pooled investment vehicles at the year-end comprised:

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Bonds	219.9	<i>275.0</i>
Property	320.4	<i>338.8</i>
Hedge funds	-	<i>1.5</i>
Private equity	59.8	<i>81.6</i>
Infrastructure funds	328.1	<i>339.5</i>
Liability Driven Investments	812.5	<i>762.9</i>
Cash and other liquid assets	60.1	<i>39.4</i>
	<u>1,800.8</u>	<i><u>1,838.7</u></i>

At 31 March 2026 and 31 March 2025 the Section held a bespoke Liability Driven Investment (LDI) portfolio. The portfolio has been included above in pooled investment vehicles and is specifically tailored for the Section's individual requirements and there are no other investors.

The LDI portfolio has the following investments:

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Pooled investment vehicles	12.8	<i>21.3</i>
Bonds	1,112.1	<i>1,242.5</i>
Swaps – net	(166.8)	<i>(223.0)</i>
Repurchase agreements - net	(326.2)	<i>(508.4)</i>
Cash and other liquid assets	180.6	<i>230.5</i>
	<u>812.5</u>	<i><u>762.9</u></i>

No direct transaction costs (2025: *£nil*) were incurred during the year on the sole investor arrangement.

The **Cavendish Nuclear Section's** investment in pooled investment vehicles at the year-end comprised:

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Bonds	10.5	<i>10.0</i>
Hedge funds	11.4	<i>10.1</i>
Diversified growth funds	5.3	<i>4.8</i>
Liability Driven Investments	23.3	<i>22.6</i>
Cash and other liquid assets	0.2	<i>0.3</i>
	<u>50.7</u>	<i><u>47.8</u></i>

The **Atkins Section's** investment in pooled investment vehicles at the year-end comprised:

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Liability Driven Investments	16.7	<i>16.1</i>
Cash and other liquid assets	1.7	<i>2.3</i>
	<u>18.4</u>	<i><u>18.4</u></i>

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The **NNL Section's** investment in pooled investment vehicles at the year-end comprised:

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Diversified growth funds	3.0	<i>2.7</i>
Liability Driven Investments	5.1	<i>4.8</i>
Cash and other liquid assets	0.3	<i>0.4</i>
	8.4	<i>7.9</i>

15. Derivatives

Objectives and Policies

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

For the **SLC Section**, outstanding derivative financial instruments at 31 March 2026 and 31 March 2025 are summarised as follows:

	2026	2026	2026	<i>2025</i>	<i>2025</i>	<i>2025</i>
	Assets	Liabilities	Total	<i>Assets</i>	<i>Liabilities</i>	<i>Total</i>
	£ million	£ million	£ million	<i>£ million</i>	<i>£ million</i>	<i>£ million</i>
Over-the-counter contracts						
Futures	0.2	(0.4)	(0.2)	<i>0.1</i>	<i>(0.1)</i>	<i>-</i>
Forward foreign currency	-	(1.5)	(1.5)	<i>0.1</i>	<i>(0.1)</i>	<i>-</i>
Swaps	5.1	(19.0)	(13.9)	<i>5.1</i>	<i>(20.1)</i>	<i>(15.0)</i>
	5.3	(20.9)	(15.6)	<i>5.3</i>	<i>(20.3)</i>	<i>(15.0)</i>

Further analysis of the holdings at 31 March 2026 and 31 March 2025 is as follows:

Futures – SLC Section

Type of future	Expiration	Economic exposure at year end £million	2026	2026
			Assets	Liabilities
			£million	£million
Assets				
UK Exchange Traded	1-3 months	6.7	-	(0.2)
Overseas Exchange Traded	1-3 months	3.1	0.2	(0.2)
			0.2	(0.4)

Type of future	Expiration	Economic exposure at year end £million	2025	2025
			Assets	Liabilities
			£million	£million
Assets				
UK Exchange Traded	1-3 months	6.7	-	(0.1)
Overseas Exchange Traded	1-3 months	3.1	0.1	-
			0.1	(0.1)

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Forward foreign currency contracts – SLC Section

Type of contract	Currency	Currency Bought £ million	Currency	Currency Sold £ million	2026 Assets £ million	2026 Liabilities £ million
OTC traded – less than 1 month	GBP	28.5	EUR	(28.8)	-	(0.3)
OTC traded – less than 1 month	USD	1.0	GBP	(1.0)	-	-
OTC traded – less than 1 month	GBP	59.4	USD	(60.6)	-	(1.2)
		<u>88.9</u>		<u>(90.4)</u>	<u>-</u>	<u>(1.5)</u>

Type of contract	Currency	Currency Bought £ million	Currency	Currency Sold £ million	2025 Assets £ million	2025 Liabilities £ million
OTC traded – less than 1 month	GBP	27.6	EUR	(27.5)	0.1	-
OTC traded – less than 1 month	USD	0.2	GBP	(0.2)	-	-
OTC traded – less than 1 month	GBP	65.9	USD	(66.0)	-	(0.1)
		<u>93.7</u>		<u>(93.7)</u>	<u>0.1</u>	<u>(0.1)</u>

Swaps – SLC Section

Type of contract	Duration Years	Nominal amount £million	2026 Assets £ million	2026 Liabilities £ million
Interest Rate Swap	<1 year	-	-	-
Interest Rate Swap	1-5 years	109.6	1.8	(4.7)
Interest Rate Swap	6-15 years	68.4	2.0	(5.7)
Interest Rate Swap	>15 years	32.0	1.3	(8.6)
			<u>5.1</u>	<u>(19.0)</u>

Type of contract	Duration Years	Nominal amount £million	2025 Assets £ million	2025 Liabilities £ million
Interest Rate Swap	<1 year	21.0	-	(0.4)
Interest Rate Swap	1-5 years	62.1	0.6	(3.9)
Interest Rate Swap	6-15 years	115.9	3.5	(7.4)
Interest Rate Swap	>15 years	32.0	1.0	(8.4)
			<u>5.1</u>	<u>(20.1)</u>

Collateral of £15.3 million is held (2025: £15.2 million held) for the unrealised gain on swaps and is included in the Section's assets.

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16. Insurance policies

The Group Trustees hold an insurance policy with Canada Life in relation to specified beneficiaries of the Atkins Section. This policy is an asset of the Group Trustees and not a policy assigned for the benefit of the individuals it relates to, and is included within the Statement of Net Assets Available for Benefits at £25.5 million (2025: £26.0 million).

The significant actuarial assumptions underlying the current valuation calculation are in line with those set out in the Report on Actuarial Liabilities on pages 23 to 25 based on market conditions as at 31 March 2026.

17. AVC investments

The number of AVC accounts (including "frozen" accounts) for the **SLC Section** as at 31 March 2026 was 347 (2025: 372). In some cases members may have two or more accounts.

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

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Aegon	14.2	<i>14.3</i>
Prudential Assurance Society	0.3	<i>0.3</i>
	14.5	<i>14.6</i>

The number of AVC accounts (including "frozen" accounts) for the **Cavendish Nuclear Section** as at 31 March 2026 was 8 (2025: 9). In some cases members may have two or more accounts.

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

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Aegon	0.5	<i>0.6</i>
Prudential Assurance Society	0.1	<i>0.1</i>
	0.6	<i>0.7</i>

The number of AVC accounts (including "frozen" accounts) for the **Atkins Section** as at 31 March 2026 was 2 (2025: 2). In some cases members may have two or more accounts.

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

	2026	<i>2025</i>
	£ million	<i>£ million</i>
Prudential Assurance Society	0.2	<i>0.2</i>

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18. Cash and other investment balances

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Cash – sterling	19.7	-	-	-	19.7
Cash – foreign currency	0.4	-	-	-	0.4
Accrued interest and dividends	1.8	-	-	-	1.8
Amounts receivable from sale of investments	-	-	-	-	-
	<u>21.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21.9</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Cash – sterling	23.1	0.3	-	-	23.4
Cash – foreign currency	0.2	-	-	-	0.2
Accrued interest and dividends	1.8	-	-	-	1.8
Amounts receivable from sale of investments	-	-	-	-	-
	<u>25.1</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>25.4</u>

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 pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Group Trustees after taking advice from their advisers. 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. Valuations of the Innisfree PFI Continuation Fund and the Innisfree PFI Secondary Fund 2 LP as at the Group year end were not available at the time of the production of these, or the previous year's, financial statements. The Group's investment adviser Aon Solutions UK Limited have assisted the Group Trustees in estimating the valuation at the accounting date based on relevant factors and cash flows. No other such adjustments have been made to the valuations at 31 March 2026 or 31 March 2025.

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Due to the nature of the SLC Section's investments with GAM International Management Limited (Renshaw Bay LLP), Longbow Real Estate Capital LLP, DRC Capital LLP and Invesco Real Estate Finance Fund (GBP) SLP, these assets have been classified as property loan assets in these financial statements, rather than pooled investment vehicles.

The **SLC Section'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	-	134.0	-	134.0
Property loan assets	-	-	59.1	59.1
Pooled investment vehicles	-	872.6	928.2	1,800.8
Derivatives	-	5.3	-	5.3
AVC investments	-	14.5	-	14.5
Cash	20.1	-	-	20.1
Other investment balances	1.8	-	-	1.8
Investment liabilities				
Derivatives	-	(20.9)	-	(20.9)
	21.9	1,005.5	987.3	2,014.7

Analysis for the prior year end is as follows:

	Level 1 £ million	Level 2 £ million	Level 3 £ million	2025 Total £ million
Investment assets				
Bonds	-	145.2	-	145.2
Property loan assets	-	-	90.7	90.7
Pooled investment vehicles	-	802.3	1,036.4	1,838.7
Derivatives	-	5.3	-	5.3
AVC investments	-	14.6	-	14.6
Cash	23.3	-	-	23.3
Other investment balances	1.8	-	-	1.8
Investment liabilities				
Derivatives	-	(20.3)	-	(20.3)
	25.1	947.1	1,127.1	2,099.3

The **Cavendish Nuclear Section'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				
Pooled investment vehicles	-	39.3	11.4	50.7
AVC investments	-	0.6	-	0.6
Cash	-	-	-	-
	-	39.9	11.4	51.3

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Analysis for the prior year end is as follows:

	<i>Level 1</i> <i>£ million</i>	<i>Level 2</i> <i>£ million</i>	<i>Level 3</i> <i>£ million</i>	2025 Total £ million
Investment assets				
Pooled investment vehicles	-	37.7	10.1	47.8
AVC investments	-	0.7	-	0.7
Cash	0.3	-	-	0.3
	<u>0.3</u>	<u>38.4</u>	<u>10.1</u>	48.8

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

	<i>Level 1</i> <i>£ million</i>	<i>Level 2</i> <i>£ million</i>	<i>Level 3</i> <i>£ million</i>	2026 Total £ million
Investment assets				
Pooled investment vehicles	-	18.4	-	18.4
Insurance policies	-	-	25.5	25.5
AVC investments	-	0.2	-	0.2
	<u>-</u>	<u>18.6</u>	<u>25.5</u>	44.1

Analysis for the prior year end is as follows:

	<i>Level 1</i> <i>£ million</i>	<i>Level 2</i> <i>£ million</i>	<i>Level 3</i> <i>£ million</i>	2025 Total £ million
Investment assets				
Pooled investment vehicles	-	18.4	-	18.4
Insurance policies	-	-	26.0	26.0
AVC investments	-	0.2	-	0.2
	<u>-</u>	<u>18.6</u>	<u>26.0</u>	44.6

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

	<i>Level 1</i> <i>£ million</i>	<i>Level 2</i> <i>£ million</i>	<i>Level 3</i> <i>£ million</i>	2026 Total £ million
Investment assets				
Pooled investment vehicles	-	8.4	-	8.4

Analysis for the prior year end is as follows:

	<i>Level 1</i> <i>£ million</i>	<i>Level 2</i> <i>£ million</i>	<i>Level 3</i> <i>£ million</i>	2025 Total £ million
Investment assets				
Pooled investment vehicles	-	7.9	-	7.9

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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 is the risk that the fair value of future cashflows of a financial investment will fluctuate because of changes in market prices. Market risk comprises three types of risk: 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 the investment strategy of each Section 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 strategies set out in this note. The Group Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which take into account each of the Sections' strategic investment objectives. The investment objectives and risk limits of each Section are implemented through the investment agreements in place with the 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 later in this section of the Financial Statements. This section of the Financial Statements does not include the AVC investments as these are not considered significant to the overall investments of the Group, or the insurance policies.

The following table summarises the extent to which the Group's various classes of investments are affected by financial risk (based on 31 March 2026 asset position):

	Credit risk	Currency	Market risk Interest rate	Other price	2026 £million	2025 £million
Bonds	●	◐	●	◐	134.0	145.2
Pooled investment vehicles	●	◐	●	●	1,878.3	1,912.8
Property loan assets	●	○	◐	●	59.1	90.7
Other investment balances	●	◐	●	○	6.3	10.4
Total					2,077.7	2,159.1

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

Investment Strategies

The Group Trustees aim 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.

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The Group Trustees set Section specific investment strategies 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 of each Section is set out in a Statement of Investment Principles (SIP).

A broad summary of the investment strategy of each Section as at 31 March 2026 is below:

SLC Section

The strategy aims to protect against certain levels of risk and still provide additional returns to reduce the overall cost of pension provision. The target hedge ratios are 80% of liability interest rate risk and 80% of liability inflation risk on the Section's Low Dependency Funding Basis (LDFB), gilts +0.5% per annum. The Section holds sufficient investments that move in line with the LDFB liabilities to maintain the target hedge ratios. These investments include buy & maintain corporate bonds as well as LDI comprising: UK government bonds, interest rate swaps, inflation swaps, repurchase agreements and cash, the purpose of which is to hedge against the impact interest rates and inflation have on the movement of the liabilities.

The remainder of the assets are invested to provide an expected return above the liabilities over the long term. As at 31 March 2026 these assets accounted for 49% (2025: 54%) of the overall portfolio.

Cavendish Nuclear Section

The strategy aims to protect against certain levels of risk and still provide additional returns to reduce the overall cost of pension provision. The target hedge ratios are 90% of funded liability interest rate risk and 90% of funded liability inflation risk on the Section's LDFB, gilts +0.5% per annum, with a cap of 100% liabilities. The Section holds sufficient investments that move in line with the LDFB liabilities to maintain these target hedge ratios. The investments include investment grade corporate bonds as well as LDI comprising UK government bonds, repurchase agreements and cash, the purpose of which is to hedge against the impact interest rates and inflation have on the movement of the liabilities.

The remainder of the assets are invested to provide an expected return above the liabilities over the long term. As at 31 March 2026 these assets accounted for 45% (2025: 42%) of the overall portfolio.

Atkins Section

The majority of the Section's assets are entirely held in investments that move in line with the long-term liabilities of the Section. The annuity with Canada Life provides a perfect match to the liabilities of the members it insures, and the liabilities of the non-insured members are matched using LDI via UK government bonds and cash. The purpose of the LDI investments is to hedge against the impact interest rates and inflation have on the movement of the non-insured liabilities. The target hedge ratios are 100% of non-insured liability interest rate risk and 100% of non-insured liability inflation risk (on a gilts +0% basis). The surplus asset within the Section is invested in cash.

National Nuclear Laboratory Section

The strategy aims to protect against certain levels of risk and still provide additional returns to reduce the overall cost of pension provision. The target hedge ratios are 90% of funded liability interest rate risk and 90% of funded liability inflation risk on the Section's LDFB, gilts +0.5% per annum. The Section holds sufficient investments that move in line with the LDFB liabilities to maintain these target hedge ratios. The investments are referred to as LDI and comprise UK government bonds, repurchase agreements and cash, the purpose of which is to hedge against the impact interest rates and inflation have on the movement of the liabilities.

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The remainder of the assets are invested to provide an expected return above the liabilities over the long term. As at 31 March 2026 these assets accounted for 35% (2025: 34%) of the overall portfolio.

Credit Risk

The Group is subject to credit risk because the Group directly invests in bonds and has cash balances. The Group also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the pooled investment vehicles. The Group is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Credit risk arising on bonds held directly is mitigated in liability matching portfolios by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade. The Group Trustees consider financial instruments or counterparties to be of investment grade if they are rated BBB- or higher by Standard & Poor's or Fitch, or rated at Baa3 or higher by Moody's.

Credit risk arising from derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Group is subject to risk of failure of the counterparty. This risk is mitigated by the arrangements both the Group and its counterparties have in place where collateral is posted to reduce the impact of any counterparty defaulting on their obligations under the derivative contracts held. The Group's LDI manager, CTI, has an explicit mandate outlining the permitted instruments and maximum exposure to any single counterparty. Furthermore, CTI only trades with counterparties that have been approved by its Counterparty Credit Committee.

Cash is held within financial institutions which are at least investment grade credit rated.

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 across a number of pooled arrangements. With the help of their investment adviser, the Group Trustees carry out due diligence checks on the appointment of new pooled investment managers and monitor any changes to the operating environment of existing pooled investment managers. A summary of pooled investment vehicles by type of arrangement is as follows:

Type of arrangement	2026 £ million	2025 £ million
Authorised unit trusts	8.3	7.5
Open-ended investment companies	329.6	325.5
Shares of limited liability partnerships	575.5	687.5
Irish Common Contractual Fund	166.3	176.6
Luxembourg domiciled mutual investment umbrella fund	857.7	806.4
Total	1,937.4	2,003.5

Indirect credit risk arises in relation to underlying investments held in pooled investment vehicles such as credit, derivatives and repos. The Group Trustees mainly invest in government and investment grade credit but the Group's mandates with, Arcmont, Barings, BentallGreenOak, Chorus, DRC, Hayfin, Invesco, Longbow, PIMCO, Robeco and Schroders enable sub-investment grade or unrated exposure. These risks are mitigated by the Group through having explicit mandates with investment managers and investing across a diverse range of managers, asset classes, regions and sectors.

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 (some of which are funded through repurchase agreements) and interest rate swaps (either as segregated investments or through pooled investment vehicles), and cash. The Group Trustees have set specific target benchmarks for each Section in relation to the total investment in bonds and interest rate swaps in order to mitigate the interest rate risk relative to the liabilities. For each Section the target benchmark is defined as part of its LDI investment strategy in terms of the amount of liability interest rate and inflation risk being hedged.

Under an LDI strategy, if gilt yields 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 gilt yields rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

The LDI assets as at 31 March 2026 targeted the same exposure to interest rates as:

- SLC Section: 80% of the LDFB liabilities (measured on a gilts +0.5% p.a. basis)
- Cavendish Nuclear Section: 90% of the funded LDFB liabilities (measured on a gilts +0.5% p.a. basis)
- Atkins Section: 100% of the liabilities (measured on a gilts +0% p.a. basis)
- NNL Section: 90% of the funded LDFB liabilities (measured on a gilts +0.5% p.a. basis)

The LDI portfolios of the SLC and Cavendish Nuclear Sections target these exposures while allowing for the exposure provided through the corporate bond mandates managed by Robeco.

Other Price Risk

Other price risk arises principally in relation to supply and demand in the market place and risks specific to each particular asset class (such as changes in level of inflation for LDI). The Group Trustees manage this exposure to overall price risk for each Section by constructing a diverse portfolio of investments across various markets. The Group has target asset allocations for each Section in accordance with the investment strategies outlined earlier in the report.

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21. Concentration of investments

Investments exceeding 5% of the value of the **SLC Section's** net assets as at 31 March 2026 or 31 March 2025 are detailed below:

Investment	2026		2025	
	£ million	%	£ million	%
Columbia Threadneedle LDI Private Sub Fund	812.5	40.3	762.9	36.1
M&G Inflation Opportunities III Fund	166.3	8.2	176.6	8.4
IFM Global Infrastructure	121.2	6.0	116.9	5.5
Innisfree PFI Secondary Fund 2 LP	119.4	5.9	131.0	6.2
CBRE UK Property PAIF	110.0	5.5	109.1	5.2

Note: Percentages calculated using full values rather than rounded amounts

Investments exceeding 5% of the value of the **Cavendish Nuclear Section's** net assets as at 31 March 2026 or 31 March 2025 are detailed below:

Investment	2026		2025	
	£ million	%	£ million	%
Columbia Threadneedle Regular Profile Leveraged Real Gilt Fund	13.3	25.7	13.5	27.5
PIMCO Tactical Opportunities Offshore Fund	11.4	22.2	10.1	20.6
Columbia Threadneedle Sterling Liquidity Fund	7.0	13.6	6.1	12.4
PIMCO Global Libor Plus Fund	5.8	11.2	5.5	11.2
Schroder Life Diversified Growth Fund	5.3	10.4	4.7	9.7
Robeco Global Credits Fund	4.7	9.1	4.5	9.2

Note: Percentages calculated using full values rather than rounded amounts

Investments exceeding 5% of the value of the **Atkins Section's** net assets as at 31 March 2026 or 31 March 2025 are detailed below:

Investment	2026		2025	
	£ million	%	£ million	%
Canada Life Insurance policy	25.5	57.7	26.0	58.2
Columbia Threadneedle Regular Profile Unleveraged Real Gilt Fund	11.2	25.3	11.7	26.3
Columbia Threadneedle Sterling Liquidity Fund	3.5	7.9	2.7	6.1
BlackRock ICS Sterling Liquidity Fund	1.7	3.8	2.3	5.1

Note: Percentages calculated using full values rather than rounded amounts

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Investments exceeding 5% of the value of the **NNL Section's** net assets as at 31 March 2026 or 31 March 2025 are detailed below:

Investment	2026 £ million	%	2025 £ million	%
Schroder Life Diversified Growth Fund	3.0	35.0	2.6	33.1
Columbia Threadneedle Sterling Liquidity Fund	2.2	25.4	1.7	21.3
Columbia Threadneedle Short Profile Leveraged Real Gilt Fund	1.8	20.6	0.7	8.1
Columbia Threadneedle Equity-linked Real DLDI Fund	0.7	8.7	0.8	10.6
BlackRock ICS Sterling Liquidity Fund	0.3	4.0	0.4	5.3
Columbia Threadneedle Credit-linked Real DLDI Fund	-	-	1.3	16.0

Note: Percentages calculated using full values rather than rounded amounts

22. Employer related investments

The Investment Regulations limits 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 Group's assets had no direct exposure to the employers participating in the Group and their associated companies as at 31 March 2026 (*31 March 2025: nil*). 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 year end, and these investments therefore comply with legislative requirements.

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23. Current assets

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Contributions due in respect of:					
Employers	0.5	-	-	-	0.5
Cash balances	5.2	0.3	0.1	0.1	5.7
	<u>5.7</u>	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>6.2</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Contributions due in respect of:					
Employers	1.7	-	-	-	1.7
Cash balances	1.5	0.2	0.1	0.1	1.9
	<u>3.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>3.6</u>

All contributions due to the Group at 31 March 2026 and 31 March 2025 relate to March 2026 and March 2025 respectively and were subsequently paid in full to the Group in accordance with the Schedules of Contributions.

24. Current liabilities

	SLC Section 2026 £ million	CN Section 2026 £ million	Atkins Section 2026 £ million	NNL Section 2026 £ million	Total 2026 £ million
Benefits payable	(3.7)	-	-	-	(3.7)
Administration & investment expenses payable	(0.1)	-	-	-	(0.1)
	<u>(3.8)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3.8)</u>

	SLC Section 2025 £ million	CN Section 2025 £ million	Atkins Section 2025 £ million	NNL Section 2025 £ million	Total 2025 £ million
Benefits payable	(0.9)	-	-	-	(0.9)
Administration & investment expenses payable	(0.4)	-	(0.1)	-	(0.5)
	<u>(1.3)</u>	<u>-</u>	<u>(0.1)</u>	<u>-</u>	<u>(1.4)</u>

25. Related party transactions

Related party transactions and balances comprise:

Key management personnel

Contributions and contributions receivable in respect of three (2025: *two*) of the Group Trustees and pensions paid in respect of four (2025: *six*) of the Group Trustees.

Fees of £156,377 (2025: £164,899) were paid to certain Group Trustees in the year by the Employers.

Employer and other related parties

Investment management expenses for Group-specific funds, performance measurement services and investment-related fees of Group advisers, are the responsibility of the Group Trustees. With the exception of those shown in note 9, all administrative expenses of the Group incurred during the years to 31 March 2026 and 31 March 2025 were paid by the Employers.

26. Guaranteed Minimum Pension ("GMP") Equalisation

The Group has undertaken a process of assessing the overall impact of the October 2018 and November 2020 rulings regarding GMP Equalisation and based on an initial assessment by the actuary the Group Trustees have not included a liability in respect of these matters in these Financial Statements as the amount is not considered to be material. They will be accounted for in the year they are determined.

27. Contingencies and commitments

The Group has £375.0 million (2025: £375.0 million) of funds committed to five (2025: *five*) investment managers - BentallGreenOak Real Estate Advisors LLP, DRC Capital LLP, Invesco Asset Management, BlueBay Asset Management LLP and Hayfin Capital Management LLP. As at 31 March 2026, approximately £125.8 million (2025: £128.9 million) is yet to be drawn down and represents a capital commitment at that date.

In the opinion of the Group Trustees, other than the matters detailed above, the Group had no contingent liabilities or contractual commitments entered into which are not provided for in these Financial Statements.

28. Subsequent events

Post year-end, the SLC Section invested £75m into Leadenhall UCITS Insurance Linked Securities as an alternative source of investment return. The Group Trustees will continue to review the SLC investment strategy over 2026/27.

There were no other subsequent events requiring disclosure in the financial statements.

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Appendix 1 – Analysis of Membership Statistics by Section

Site Licence Company Section

	Contributors	Pensioners	Dependants	Deferred pensioners	Total
At 1 April 2025	761	5,185	1,437	881	8,264
Increases					
Contributors/pensioners/dependants/deferred pensioners	-	123	98	11	232
Pensions sharing orders and new EPB pensioners in payment	-	-	-	3	3
Sub Total	-	123	98	14	235
Reductions					
Contributors / deferred pensioners retiring	(67)	-	-	(56)	(123)
Deaths	(2)	(169)	(88)	(3)	(262)
Leavers with deferred pensions	(11)	-	-	-	(11)
Leavers with refunds of contributions/transfers to other schemes/cessation of child allowances	-	-	(1)	(1)	(2)
Sub Total	(80)	(169)	(89)	(60)	(398)
At 31 March 2026	681	5,139	1,446	835	8,101

Cavendish Nuclear Section

	Contributors	Pensioners	Dependants	Deferred pensioners	Total
At 1 April 2025	37	45	4	42	128
Increases					
Contributors/pensioners/dependants/deferred pensioners	-	2	-	4	6
Sub Total	-	2	-	4	6
Reductions					
Contributors / deferred pensioners retiring	(1)	-	-	(1)	(2)
Leavers with deferred pensions	(4)	-	-	-	(4)
Leavers with refunds of contributions/transfers to other schemes/cessation of child allowances	-	-	-	(1)	(1)
Sub Total	(5)	-	-	(2)	(7)
At 31 March 2026	32	47	4	44	127

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Atkins Section

	Contributors	Pensioners	Dependants	Deferred pensioners	Total
At 1 April 2025	1	27	1	13	42
Increases					
Contributors/pensioners/dependants/deferred pensioners	-	2	-	-	2
Sub Total	-	2	-	-	2
Reductions					
Contributors / deferred pensioners retiring	-	-	-	(2)	(2)
Sub Total	-	-	-	(2)	(2)
At 31 March 2026	1	29	1	11	42

National Nuclear Laboratories Section

	Contributors	Pensioners	Dependants	Deferred pensioners	Total
At 1 April 2025	4	6	3	-	13
Increases					
Contributors/pensioners/dependants/deferred pensioners	-	-	1	-	1
Sub Total	-	-	1	-	1
Reductions					
Deaths	-	(1)	-	-	(1)
Sub Total	-	(1)	-	-	(1)
At 31 March 2026	4	5	4	-	13

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Appendix 2 – Glossary of Terms

Listed below are brief explanations of terms used within the Report & Financial Statements that may not be familiar to all members.

Pension glossary	
Commutation	The exchange of expected pension benefits for a cash lump sum.
Money Purchase basis	The calculation of an individual member's benefits by reference to the value of the contributions paid into a pension scheme in respect of that member.
State Second Pension	Additional pension benefits purchased through National Insurance Contributions to enhance the Basic State Pension by those people not "Contracted Out" through membership of a private or company pension scheme. This was formerly known as the State Earnings Related Pension Scheme (SERPS) and was re-named from 6 April 2002.
Transfer Values received	Transfers of monies from another pension scheme, so that a member can augment their pension benefits from the ESPS.
Derivative	A derivative is a financial contract between two parties whose value is derived from an underlying asset's price or an index based on asset prices. Underlying assets are typically equities, bonds, interest rates, exchange rates and stock market indices. The main types of derivatives used by pension schemes are: - futures contracts - forward foreign exchange contracts - options - swaps A derivative can be exchange traded or traded over the counter ("OTC").
Exchange traded	An exchange traded security is purchased or sold through a registered exchange (e.g. a stock exchange) which provides trading facilities.
Forward foreign currency contract (FFX)	A forward foreign exchange contract is an over the counter transaction whereby two parties agree to exchange two different currencies at an agreed rate of exchange on a specific date in the future.
Futures Contract	A contract which legally binds two parties to complete a sale or purchase of an asset at a specified future date and at a price which is fixed at the time the contract is agreed.
Liability Driven Investment (LDI)	An investment strategy focused on gaining enough assets to cover all current and future liabilities

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Pension glossary	
Options	An option is a contract which give the purchaser the right, but not the obligation, to buy (call option) or sell (put option) a standard specified nominal amount of an asset at a specific date or range of dates in the future at a specified price. Options may be exchange traded or OTC.
Over the counter (OTC)	An over the counter (OTC) security is traded between two individual counterparties rather than on an exchange. There is no standardisation of contract specifications so the size of the contact, the settlement date and price are all negotiable.
Pooled investment vehicles	A fund in which several investors participate. The assets are not held directly in the name of individual clients but form part of a “pool”. Unit trusts are a common example of a pooled investment vehicle. Investors hold units in the pooled fund. The value of individual units is determined by the value of the underlying assets of the fund.
Segregated Funds	In the ESPS, investment portfolios which are specific to a particular Group and may be comprised of individual securities or take the form of a pooled investment vehicle.
Swaps	A swap is an OTC transaction whereby the parties to the contract agree to exchange cash flows according to the terms agreed at the outset of the swap. The amount of the cash flows is generally determined by reference to an underlying asset, index, instrument or notional amount.

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Appendix 3 – Advisers and Service Providers

Group Actuary

Damien Kelson FIA
of Aon Solutions UK Limited

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 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 Adviser

Ruth Williams
of Aon Solutions UK Limited

Advises the Group Trustees on all investment matters including the Statement of Investment Principles.

Legal Adviser

Eleanor Daplyn
of Sacker and Partners LLP

Advises on legislative requirements and application of the provisions of the Group in particular circumstances.

Performance Measurer

Ruth Williams
of Aon Solutions UK Limited

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

Benefits Administration and Accounting

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

Tel: 02476 472582

Group Administrator

Kelly Capdeville
Head of Pensions
Nuclear Restoration Services Ltd
Hinton House
Birchwood Park Avenue
Birchwood
Warrington
Cheshire
WA3 6GR

Group Appointed Fund Managers

Arcmont Asset Management Ltd ("Arcmont")
Barings Global Investment Funds plc ("Barings")
BlackRock Investment Management (UK) Limited ("BlackRock")
CBRE Global Investors (UK) Limited ("CBRE")
Chorus Capital Management Ltd ("Chorus")
Columbia Threadneedle Investments ("CTI")
DRC Capital LLP ("DRC")
BentallGreenOak Real Estate Advisors LLP ("BentallGreenOak")
Hayfin Capital Management LLP ("Hayfin")
Industry Funds Management ("IFM")
Infrared Capital Partners
Innisfree Ltd
Insight Investment Management Limited ("Insight")
Invesco Asset Management ("Invesco")
Legal & General Investment Management Limited ("L&G")
Longbow Real Estate Capital LLP ("Longbow")
M&G Asset Management ("M&G")
PIMCO Europe Ltd ("PIMCO")
Robeco Institutional Asset Management B.V. ("Robeco")
Schroder Investment Management Limited ("Schroders")

Additional Voluntary Contributions (AVCs) Providers

The Prudential Assurance Company Limited
Scottish Equitable Public Limited Company ("Aegon")

Appendix 4 – Names and Addresses of External Bodies

The Pensions Ombudsman

You have the right to refer your complaint to The Pensions Ombudsman free of charge.

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade,
Canary Wharf,
E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

MoneyHelper

MoneyHelper is a consumer-facing service, providing free and impartial money and pensions guidance. This is provided by the Money and Pensions Service, an arm's-length body, sponsored by the Department for Work and Pensions. MoneyHelper can be contacted through any local Citizens Advice Bureau or at the following address:

Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AP

Telephone: 0800 011 3797

Website: www.moneyhelper.org.uk

The Pensions Regulator

The Pensions Regulator is the UK regulator of work-based pension schemes.

The Pensions Regulator has statutory objectives to protect members' benefits, to reduce the risk of calls on the Pension Protection Fund, to promote good administration, to maximise employers' compliance with their new duties in relation to automatic enrolment and to minimise any adverse impact on sustainable growth of an employer' when exercising its functions under the scheme funding legislation.

The Pensions Regulator has wide ranging powers set out in statute. For example, the Pensions Regulator can prohibit or disqualify trustees if they are not fit and proper persons for the role or for acting unlawfully and can impose fines on wrongdoers.

The Pensions Regulator can be contacted at:

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

Website: <https://www.thepensionsregulator.gov.uk>

The Department for Work and Pensions ("DWP") Pension Tracing Service

The purpose of the DWP's Pension Tracing Service is to provide a tracing service for members and their dependants who believe they have a pension entitlement in a pension scheme of a previous employer that they have lost touch with. The ESPS is registered with the DWP under scheme reference number 10200656.

The contact details for the Pension Tracing Service are as follows:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF

Telephone: 0800 731 0175

Website: www.gov.uk/find-pension-contact-details

The Pension Protection Fund

The Pension Protection Fund was established to pay compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The contact details of the Pension Protection Fund are as follows:

Pension Protection Fund
PO Box 254
Wymondham
NR18 8DN

Telephone: 0345 600 2541
Website: www.ppf.co.uk

Appendix 5 – Address for Enquiries

Further information about the Group and enquiries relating to specific benefit entitlements should be addressed to:

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

Telephone: 02476 472 582

E-mail: Magnox@broadstone.co.uk

Appendix 6 – Engagement Policy Implementation Statement

Engagement Policy Implementation Statement (“EPIS”)

Magnox Electric Group of the Electric Supply Pension Scheme
(the “Group”)

Magnox Electric Group Trustee Company Limited
(the “Group Trustee”)

Group Year End – 31 March 2026

This statement summarises the voting and engagement activities of the Group Trustee in managing the Group’s investments during the year ending 31 March 2026. It includes:

1. How, and the extent to which, the Group Trustee's policies relating to stewardship, including voting and engagement, have been followed during the year; and
2. How voting rights have been exercised, or exercised on the Group Trustee's behalf, including the use of any proxy voting advisory services and an overview of the most significant votes cast during the year.

Executive Summary

Based on the activity carried out over the year by the Group Trustee, its investment advisers, and its investment managers, the Group Trustee believes that its policies relating to stewardship, including voting and engagement, have been followed during the year.

The Group Trustee notes that:

- The Group’s investment managers were able to disclose good evidence of voting and/or engagement activity; and
- The activities disclosed by investment managers were aligned with its voting and engagement policies.

The Group Trustee will continue to use its influence to drive positive behaviour and change across the investment managers that it has invested with and other third parties that the Group Trustee relies on such as its investment adviser. The Group Trustee will monitor, assess and ultimately hold them to account to ensure that its policies are appropriately carried out.

How stewardship policies have been followed

The Group Trustee last reviewed the Statements of Investment Principles (SIP) for each Section in July 2026, after the reporting year end. No changes were made to the stewardship policies, including the voting and engagement policies, which remain consistent across all Sections. The SIP for each Section is available on the Group's website.

<https://www.my-magnox-pension.com/knowledge-hub/about-the-scheme/scheme-documents>

The Group is invested mostly in pooled funds, and so the responsibility for voting and engagement is delegated to the Group's investment managers, which is in line with the policies set out in our SIP. The Group has a single segregated mandate, which is managed by Robeco. This mandate is comprised of corporate bonds and cash, which have no voting rights attached.

In addition to preparing this statement, the following stewardship activities have been completed over the reporting year:

Ongoing monitoring

Investment monitoring takes place quarterly, with reports provided to the Group Trustee by its investment adviser. The Group Trustee expects its investment adviser to proactively identify any areas of concern and provide clear recommendations where action is required. This includes matters relating to the effective stewardship of assets, including voting and engagement activities.

The Group Trustee regularly invites its investment managers to provide updates at trustee meetings. These updates typically cover investment performance, stewardship activities and Environmental, Social and Governance ("ESG") considerations. During the reporting year, the Group Trustee agreed a standard set of four responsible investment questions to be discussed with managers at its twice-yearly manager day meetings.

Based on its ongoing monitoring and engagement with investment managers, the Group Trustee did not identify any material concerns requiring escalation or changes to manager appointments during the reporting year.

Climate risk management

The Group Trustee continues to monitor how climate-related risks and opportunities are considered within manager stewardship and engagement activities. Further detail on the Group Trustee's monitoring can be found in its most recent Task Force on Climate-related Financial Disclosures (TCFD) report (see link above).

Conclusion

The Group Trustee has reviewed the voting and engagement activity of the Group's investment managers over the reporting year. The Group Trustee believes its investment managers have been able to disclose good evidence of activity and is comfortable that the activities undertaken were aligned with its voting and engagement policies. More information on the voting and engagement activity carried out by the Group's investment managers can be found in the following sections of this report.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Manager's voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. The Group Trustee believes that good stewardship is in the members' best interests. This means promoting best practice, encouraging investee companies to access opportunities, managing risk appropriately, and protecting shareholders' interests. Understanding and monitoring the stewardship that investment managers practice is an important factor in deciding whether an investment manager remains the right choice for the Group.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. The Group Trustee expects its equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for the **Error! Reference source not found.**'s only fund with voting rights for the year to 31 March 2026.

Fund	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Schroder Investment Management ("Schroders") - Diversified Growth Fund	17,412	95.7%	10.2%	0.2%

Source: Schroders. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Schroders votes against management proposals were typically due to reasons such as excessive auditor tenor and concerns in relation to board diversity as well as to encourage better performance-based targets. While Schroders attempted to vote on all resolutions, it was not always able to due to share blocking (trading of shares around meeting dates) and issues with power of attorney / other paperwork.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on recommendations from proxy voting advisers.

The table on the following page describes how Schroders uses proxy voting advisers.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

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Manager	Description of use of proxy voting adviser(s) (in the managers' own words)
Schroders	Glass Lewis ("GL") act as our one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with our own bespoke guidelines, in addition, we receive GL's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers

Source: Schroders

Significant voting examples

The Group Trustee requested a number of significant voting examples from Schroders covering themes including climate reporting, remuneration, human rights and governance matters. An example of one of these significant votes has been included in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Group's investment managers. The investment managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Group.

Funds	Group Exposure (% of assets at 31 March 2026)	Number of engagements*		Themes engaged on at a fund level
		Fund level	Firm level	
BGO - UK Secured Lending III	2.4	15	<i>Not provided</i>	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management; Human and Labour Rights
Chorus - Capital Credit Fund IV**	2.2	26	26	Environment - Antimicrobial Resistance; Climate Change; Natural Resource Use/Impact Social - Inequality; Public health
Invesco - Real Estate UK Residential Fund**	2.7	<i>Not provided</i>	127	Environment - Climate Change; Natural Resource Use/Impact Social - Conduct, culture and ethics; Human and labour rights Governance - Strategy, Financial and Reporting; Remuneration
L&G - UK Build to Rent Fund**	3.6	260	3,762	Environment - Climate Change; Natural Resource Use/Impact Social - Human capital management; Human and Labour Rights Governance - Strategy, Financial and Reporting; Remuneration
M&G - Inflation Opportunities Fund**	8.0	<i>Not provided</i>	533	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Public health Governance - Remuneration; Strategy, Financial and Reporting

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Robeco - Global Credits	6.9	35	304	• Environment - Climate Change; Natural Resource Use/Impact • Social - Human and Labour Rights, Conduct, culture and ethics • Governance - Board effectiveness – Other; Shareholder rights • Other - Sustainable Development Goals (“SDG”) Engagement
Schroder - Diversified Growth Fund**	0.4	565***	956***	• Environment - Climate mitigation; Climate Oversight • Social - Customers and Consumers; Health, Safety, Wellbeing • Governance - Boards and Management; Executive Remuneration

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CBRE - UK Property	5.3	Not provided	CBRE does not collate statistics on the number of individual engagements undertaken. However, CBRE has provided some engagement case studies, mostly in relation to ESG and climate change risks.
CBRE - Long Income Investment Fund	3.8	Not provided	
IFM - Global Infrastructure Fund	5.8	Not provided	IFM does not collate statistics on the number of individual engagements undertaken. However, IFM has provided some engagement case studies, mostly in relation to climate change and improved safety performance.
Infrared – Infrastructure Yield Fund	2.2	Not provided	InfraRed does not collate statistics on the number of individual engagements undertaken. However, InfraRed has engaged with the entire portfolio on climate change and community wellbeing over the course of the period.
Innisfree - PFI Secondary Fund**	5.7	Not provided	• Environment - Climate change • Social - Conduct, culture and ethics; Human Capital Management • Governance - Strategy, Financial and Reporting
Innisfree - PFI Continuation Fund**	2.1	Not provided	

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Source: Managers.

* As defined by the respective investment manager.

**The following managers did not provide fund level themes; themes provided are at a firm-level.

***The number of engagements reported by Schroders at both firm and fund level is substantially lower than last year. Schroders has confirmed that the decrease is due to a change in its engagement methodology, with "Pre-AGM letters" now no longer included within its engagement statistics.

Data limitations

The Group Trustee has concentrated on summarising the stewardship activities of material holdings where there is meaningful scope for engagement. With this in mind, the EPIS does not disclose stewardship information in relation to:

- Funds representing less than 2% of the Group's total assets and any AVC investments held at 31 March 2026 on the grounds of materiality, except for the investments held with Schroders given the investment manager has exposure to listed equities; and
- The Group's LDI holdings with CTI (c.41% of total Group assets), annuity held with Canada Life (c.1% of total Group assets) and cash held with BlackRock (<3% of total Group assets) as the Group Trustee deems the scope for engagement to be very limited.

At the time of writing, BGO, Invesco, M&G, CBRE, IFM, InfraRed and Innisfree did not provide all the information requested in the required format. However, all investment managers did provide good evidence of engagement activity.

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Appendix – Significant Voting Examples

In the table below is a significant vote example provided by the Group's manager with equity exposure. The Group Trustee considers a vote to be one which the manager considers significant. Investment managers use a wide variety of criteria to determine what is a significant vote, an example of one of Schroders' significant votes is outlined below (in the Schroders' own words):

Schroders - Diversified Growth Fund	Company name	Mattel, Inc.
	Date of vote	28 May 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	<i>Not provided</i>
	Summary of the resolution	Shareholder Proposal Regarding Reducing Contribution to Climate Change
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	Support for this proposal is warranted as shareholders would benefit from more disclosure around how the company is managing and mitigating risks relating to climate. We believe that how we voted is in the best financial interest of our clients' investments.
	Outcome of the vote	Fail
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity, we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be most significant?	Shareholder proposal regarding reporting and reducing Greenhouse Gas Emissions.

Source: Schroders