EDF Group of the ESPS (“the Group”)

Actuarial report as at 31 March 2026

11 June 2026

This report is addressed to the Trustee of the Group and is the first actuarial report since the actuarial valuation as at 31 March 2025.

Its purpose is to provide an estimate of the ongoing funding as at 31 March 2026 and an indication of how the funding position has developed from 31 March 2025 to 31 March 2026.

The Trustee is required to share this report with the employer within seven days of receiving it. Some of the information in this report also needs to be included in the next summary funding statement for members.

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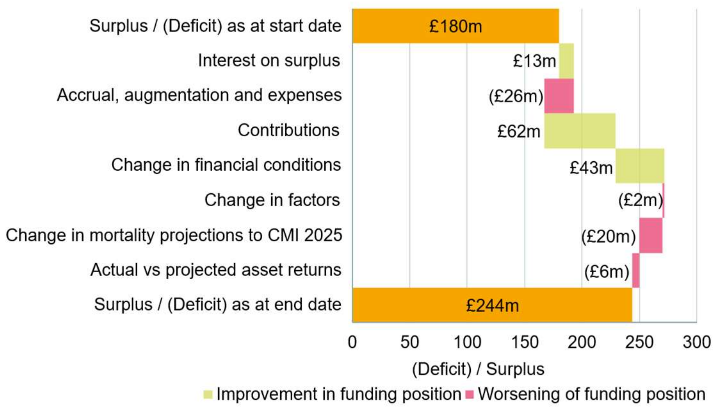
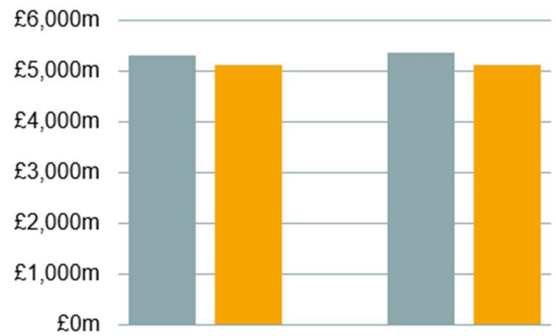
Why has the funding position changed from 31 March 2025 to 31 March 2026?



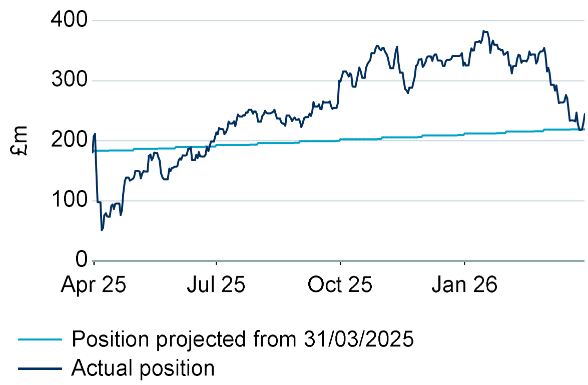
The surplus increased by £64m over the period from a funding level of 103.5% to 104.8%, and the main reasons for this are shown in the chart.

Estimate of funding position at 31 March 2026



	31 March 2025	31 March 2026
Asset value	£5,317m	£5,356m
Technical provisions	£5,137m	£5,112m
Surplus	£180m	£244m
Funding level	103.5%	104.8%

How does the position compare to what was expected?



The surplus at 31 March 2026 is broadly in line with the expected position. However, over the year to 31 March 2026 the surplus has varied between around £50m and £380m. In particular, over Q1 2026 the surplus has fallen by c. £80m mainly due to falls in the value of the Group's growth assets.

Scope

We have prepared the calculations in this report in accordance with the requirements of the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Funding) Regulations 2005.

We have undertaken this work assuming that there are no specific decisions for you to take as a result of this report. Please contact me if you do intend to take some specific actions on receiving this report, as it may then be appropriate for me to provide additional advice.

The next actuarial report is due with an effective date as at 31 March 2027 and the next full actuarial valuation is due as at 31 March 2028.

Method

We have estimated the technical provisions approximately as at 31 March 2026 by projecting forward the technical provisions as at 31 March 2025. Our projection allows for:

- changes in the financial conditions;
- interest on the technical provisions;
- increases to pensions in payment and revaluation of deferred benefits since 31 March 2025;
- the accrual of additional benefits over the period;
- changes to the scheme factors;
- update to the mortality projections to CMI 2025; and
- net payments out of the Group.

We have assumed that all other experience over the period was in line with the assumptions used in calculating the technical provisions, as set out in the Group's Statement of Funding Principles. If the Group's experience was significantly different from these assumptions or if there were significant events of which we are not aware, then the technical provisions based on a full actuarial valuation could be significantly different from those we have estimated. Further details on risks and the sensitivities to the assumptions used are set out in our valuation report dated 31 March 2026.

This report does not consider the solvency level of the Group, either on a buy-out basis or on a basis relative to the compensation provided by the Pension Protection Fund. The cost of buying out benefits with an insurance company is likely to be significantly higher than the technical provisions.

We have assumed that there are no changes to benefits or liabilities in the Group as a result of the 2023 Virgin Media judgment, which concluded that amendments to scheme rules affecting certain contracted-out rights were invalid if written actuarial confirmations were not obtained where required.

For the purpose of this report, and consistently with the valuation, we have excluded all liabilities relating to defined contribution benefits (including AVCs).

We have produced the figures calculated at other dates between 31 March 2025 and 31 March 2026 using a more approximate method as they are for illustration only.

Data

We have used the following data:

- the membership data provided for the actuarial valuation of the Group as at 31 March 2025 and summarised in our valuation report dated 31 March 2026;
- an estimated figure of £277m in respect of net benefit cash flow out of the Group for the year to 31 March 2026, from data provided by EDF; and,
- an unaudited statement of the Group's invested assets as at 31 March 2026 provided by the Group's investment managers showing a value of £5,317m which includes £6m held in cash deposits in the trustee bank account. In addition we have included £39m of LERP DC pots to give a total asset figure of £5,356m. It is possible that the final asset figure shown in the audited accounts could be different, which would affect the funding position at 31 March 2026 disclosed in this report.

Special events

We understand that there were no material changes to the Group during the period.

Assumptions as at 31 March 2026

The key financial assumptions used have been set in line with the approach set out in the Trustee's Statement of Funding Principles dated 31 March 2026. All non-financial assumptions are as set out in the Statement of Funding Principles, except that we have updated the mortality projection to the CMI 2025 projection (with no changes to any of the parameters).

Key financial assumptions	31 March 2025	31 March 2026
Rate of return from gilts	5.1% pa	5.4% pa
Retail Price Inflation (RPI)	3.4% pa	3.6% pa
Consumer Price Inflation (CPI) – pre/post 2030	2.4% pa / 3.3% pa	2.6% pa / 3.5% pa
Discount rates		
Pre retirement	7.6% pa	7.9% pa
Post retirement – non-pensioners	5.85% pa	6.15% pa
Post retirement – pensioners	5.6% pa	5.9% pa
Core **salary increases**	3.9% pa	4.1% pa
Rate of pension increases		
RPI min 0%	3.4% pa	3.6% pa
RPI min 0%, max 5% pa	3.2% pa	3.4% pa
CPI min 0%, max 3% pa	2.3% pa	2.4% pa
RPI min 0%, max 2.5% pa	2.2% pa	2.2% pa

All financial assumptions are term-dependent and calculated by reference to the relevant gilt yield curves. The rates above are approximate single-equivalent rates, weighted by reference to the Group's projected benefit cashflows.