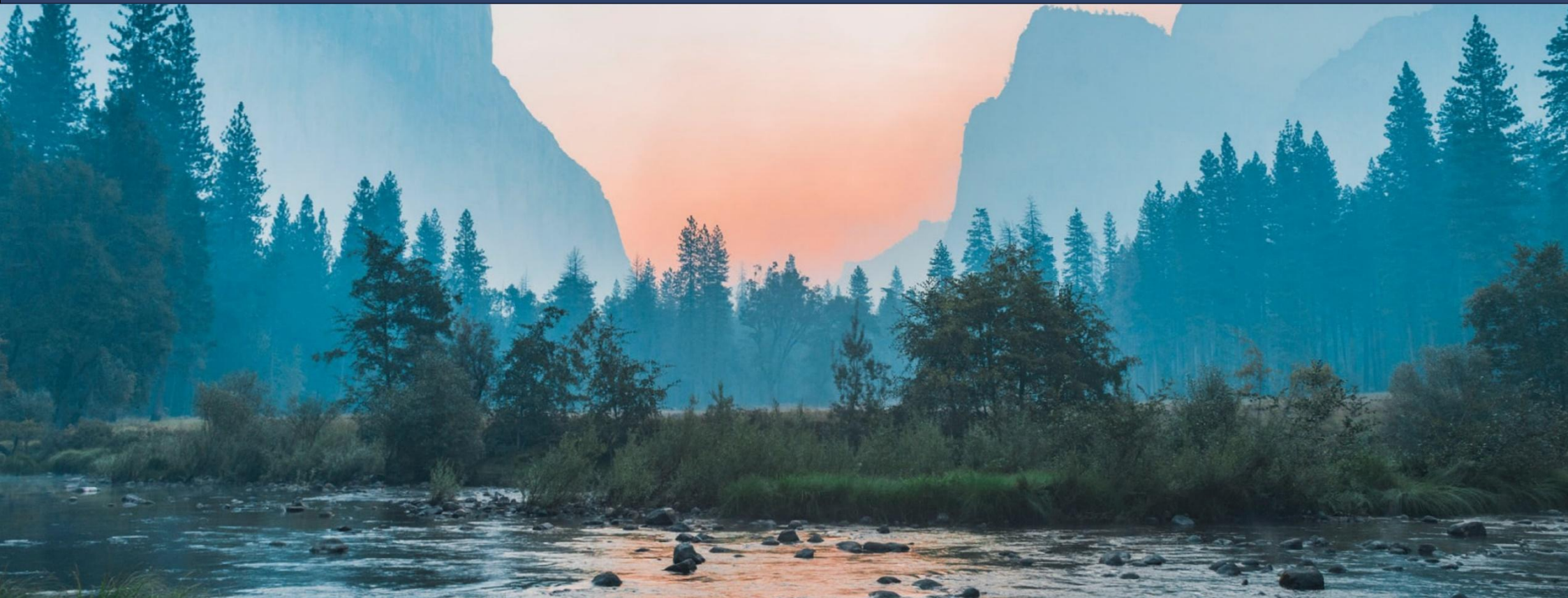


Statement of Investment Principles

For the EA Technology Group of the Electricity Supply Pension Scheme

Effective 13 July 2026



1. Introduction

This Statement of Investment Principles (“SIP”) has been produced by the Trustees of the EA Technology Group of the Electricity Supply Pension Scheme (the “Scheme”).

It sets out our policies on various matters governing investment decisions for the Scheme, which is a Defined Benefit (“DB”) Scheme.

This SIP replaces the previous SIP dated June 2025.

This SIP has been prepared after obtaining and considering written advice from LCP, our investment adviser, whom we believe to be suitably qualified and experienced to provide such advice. The advice considered the suitability of investments including the need for diversification given the circumstances of the Scheme and the principles contained in this SIP.

We have consulted with the relevant employer in producing this SIP.

We will review this SIP from time to time and will amend it as appropriate. Reviews will take place without delay after any significant change in investment policy and at least once every three years.

This SIP contains the information required by legislation, and also considers the Pension Regulator’s guidance on investments.

2. Investment objectives

The primary objective for the Scheme is to ensure that the benefit payments are met as they fall due. These benefits are secured in full by the Scheme’s bulk annuity policy with Just Retirement (“Just”).

The Scheme’s remaining assets are held in a closed-ended alternatives fund (due to wind down in 2026), and a liquidity fund.

The Scheme is closed to future accrual.

3. Investment strategy

With input from our advisers and in consultation with the employer, the Scheme purchased a bulk annuity policy with Just to fully secure all of the Scheme’s defined benefit pension liabilities.

The bulk-annuity policy is an insurance policy which provides an income to the Scheme which is designed to match, as closely as possible all of the defined benefit payments falling due to the Scheme’s members and beneficiaries now and in the future.

The Scheme’s residual assets outside of the bulk annuity policy are held in a closed-ended alternatives fund (due to wind down in 2026), a liquidity fund and cash held in the Trustee bank account.

The primary way that we have managed investment risk is by purchasing the bulk annuity policy. In the case of the Scheme the key investment risks managed by the purchase of the bulk annuity policy are:

- the circumstances of the Scheme, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, and the strength of the employer covenant; and
- the need for appropriate diversification between different asset classes to manage investment risk and ensure that both the overall level of investment risk and the balance of individual asset risks are appropriate.

Other investment risks we manage are;

- The risk that Just defaults on its obligation. Prior to entering into the bulk annuity policy, Lane Clark and Peacock LLP, the Scheme’s buyout advisor, carried out due diligence on Just’s financial strength. In addition, a bulk annuity policy is an illiquid asset, and cannot be

sold at a later date. However, it is intended to be held to meet members' benefits as they fall due.

- The risk of fraud, poor advice or acts of negligence. We have sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

Our **key investment beliefs**, which influence the setting of the investment arrangements, are as follows:

- asset allocation is the primary driver of long-term returns;
- costs may have a significant impact on long-term performance and therefore obtaining value for money from the investments is important; and
- risk-taking is necessary to achieve return, but not all risks are rewarded. Risks that do not have an expected reward should generally be avoided, hedged, or diversified.

4. Implementation of the investment arrangements

Before entering into the bulk annuity policy and investing monies in the alternatives fund and liquidity fund, we obtained and considered proper written advice from our investment adviser as to whether the investments were satisfactory.

As the Scheme is now on a care and maintenance basis, the Scheme's assets held outside of the bulk annuity arrangement are managed in accordance with any relevant instruction. We will terminate the investment management arrangements with the underlying managers once the residual assets have transitioned fully.

We recognise that the arrangements with all of the managers of the Scheme are important to ensure that its interests are aligned as is reasonably practicable. This includes arrangements with the underlying managers, and the insurer.

We have a signed agreement with the bulk annuity provider, Just, setting out the terms on which they will meet member benefits as they fall due.

We also have a signed agreement with L&G setting out the terms on which the liquidity allocation is to be managed, and with BGO setting out the terms in which

the closed-ended alternatives fund allocation is to be managed (noting this is scheduled to wind down over 2026, after which the agreement will be terminated).

We have limited influence over the bulk annuity provider's underlying investment practices, but we encourage the provider to improve its practices where appropriate. It was our responsibility to ensure that the provider's investment approaches were consistent with our policies before its appointment.

5. Realisation of investments

The bulk annuity policy insures the benefits due to all members of the Scheme. It does not provide any other returns.

Scheme expenses will be met from the Scheme's bank account and the liquidity fund.

6. Financially material considerations and non-financial matters

We recognise we now have limited influence on the Scheme's approach to ESG, ethics, and other financially material considerations now that the bulk annuity policy has been purchased and we would not normally be able to terminate or surrender this policy. It was our responsibility to ensure that the insurer's investment approaches were consistent with our policies before the decision to select Just as the insurer was made. The parameters of the policy limit the scope for significant incorporation of ESG factors. However, we expect the insurer to take account of these considerations in its decisions.

7. Voting and engagement

As the majority of the Scheme's assets are held in the bulk annuity policy, we have limited influence over the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.

However, in selecting Just as the insurer, we sought to appoint an insurer that has strong stewardship practices.