



## Uniper UK Trustees Limited

### Summary Funding Statement

2023 Summary Funding Statement ...for the Uniper Group of the Electricity Supply Pension Scheme (ESPS) (Uniper Group).

The Trustees must complete a formal valuation (known as the Actuarial Valuation) at least every three years to calculate the assets and cost of providing members' benefits, also referred to as 'liabilities', of the Uniper Group (the 'Group') at a given point in time. The third valuation was carried out as at 31 March 2022 and, under legislation, Trustees have 15 months in which to complete it. Due to a number of factors, completion was not possible within the required timescale, although the Company and Trustees (after notifying the Pensions Regulator) completed it in late August 2023.

#### Changes to the Group's funding position

The information below, our summary funding statement, provides a recap of the funding position at the time of the 2019 Actuarial Valuation, the results of the latest Actuarial Valuation at 31 March 2022 and the results of the latest yearly update, which was based on information at 31 March 2023.

|                                 | Valuation Date<br>31 March 2019 | Valuation Date<br>31 March 2022 | Update Date<br>31.03.2023  |
|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| The value of the Group's Assets | £474.2 million                  | £573.9 million                  | £360.3 million             |
| The value of its liabilities    | £500.0 million                  | £592.7 million                  | £420.1 million             |
| The overall position            | Shortfall of £25.8 million      | Shortfall of £18.8 million      | Shortfall of £59.8 million |
| Funding level                   | 94.8%                           | 96.8%                           | 85.8%                      |

These figures have been calculated on the basis that the Group will continue. However, as part of the valuation, the Actuary must also estimate the funding position if the Group had been wound up on the valuation date. There is more information about this below in the section "How secure is my pension".

#### Contributions agreed at the 2022 Actuarial Valuation

The 2022 valuation results show that there was a shortfall in the value of the assets of £18.8 million as at 31 March 2022 (versus a shortfall of £25.8 million at the last valuation on 31 March 2019). This is in comparison to the estimated amount needed to provide the benefits earned by the valuation date, as and when they become payable. The corresponding funding level (the ratio of the value of the Group's assets to the amount needed to provide benefits) was 96.8%. As a result, Uniper UK Limited (the 'Company') and the Group Trustee have agreed a 'recovery plan', which provides that the Company will pay additional 'deficit' contributions to make good this shortfall, alongside the normal employer contributions required to pay for benefits being earned in the future.

The agreed deficit contributions are:

- A payment of £5.30 million due by 31 August 2023. This was paid to the Trustees on the 29<sup>th</sup> August 2023.
- A payment of £5.30 million payable by the last working day in each Quarter for two years from 1 July 2023



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- A payment of up to £5.36 million payable by the last working day in each Quarter in the year 1 April 2025 to 31 March 2026 contingent on the funding position being less than 100% on the last working day of the previous Quarter.

The Scheme Actuary has advised the Trustees that it expects these contributions – together with anticipated investment returns – to eliminate the funding shortfall by September 2024. In addition, from 1 August 2023, the Company will pay contributions of 31.8% of members' pensionable salaries for members of the final salary categories and 22.7% of members' pensionable salaries for members of the Retirement Balance Plan (RBP) category towards the cost of building up future benefits. Finally, the Company will also pay the sum of £1 million per annum to the Trustees to meet the expenses of the Group. These employer contributions will remain at this level until they are reviewed as part of the 2025 triannual valuation. In addition employee contributions for both the final salary and RBP categories will remain at the same levels as currently.

### Annual Update at 31 March 2023

The table above shows that the value of the Group's liabilities decreased significantly between the valuation date and the annual update at 31 March 2023 as a result of a large increase in government bond yields which reduced the value placed on the liabilities. Over the same period, the value of assets decreased by a larger amount compared to the change in the value placed on the liabilities. The net result was an increase in the funding shortfall since the Actuarial Valuation date. At 31 March 2023, the shortfall was estimated to be £59.8 million.

### What is the Group invested in?

The Uniper Group has invested in a diversified range of assets – including equities, property, corporate bonds, government bonds and derivatives – via a Fiduciary Mandate with Van Lanschot Kempen. The Trustees regularly review the investment performance to ensure the allocation to the various asset classes is appropriate, taking into account the financial position of the Uniper Group and the risk tolerance of both the Trustees and the Company. The Trustee's investment principles are documented in a 'Statement of Investment Principles', which is available to members via the Uniper pensions website at <https://ukpensions.uniper.energy/documents/statement-of-investment-principles>

### How is your pension paid for?

The funds required by the Trustees to pay the members' benefits come from a combination of Company contributions and, if necessary, the sale of the Uniper Group assets. The funds are held in a common fund and not in separate funds for each individual member.

### How are the Group's liabilities assessed?

The Uniper Group is subject to a formal financial assessment (an Actuarial Valuation) at least once every three years. As part of the Actuarial Valuation, the Trustees and the Company agree a Statement of Funding Principles (or 'SFP'). The SFP states how the liabilities built up in the Uniper Group should be calculated. It includes the method used in the calculations and assumptions such as what future asset returns and life expectancies are expected to be. A copy of the SFP is available to members on request.



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### How secure is my pension?

The Trustee's long-term funding objective is for the Uniper Group to have enough assets to pay the benefits that are due, both now and in the future, without the need for further Company contributions. Until it achieves that, the Uniper Group's ability to fund benefits is dependent upon the Company continuing to make contributions to the Uniper Group. Accordingly, the Trustees made enquiries via a formal covenant assessment that the participating employers and Uniper SE were expected to be able to meet the long term pension obligations at the 2022 valuation date. The Trustees are pleased to report that the results of this exercise confirm that this was the case at the 2022 date.

In the highly unlikely event that the Company does become insolvent and is unable to pay further contributions, the full amount of your accrued pension may not be paid. If this were to happen, the assets of the Uniper Group could be used to buy insurance policies to fund your future benefits. Insurers would take a more cautious view of the future than the assumptions used in the Actuarial Valuation and would also look to make a profit.

If the Group had been discontinued on 31 March 2022, it was estimated that the assets of the Uniper Group would cover 75.9% of its liabilities measured on these more cautious assumptions. Should the Company become insolvent, the Uniper Group may qualify for entry into the Pension Protection Fund (PPF). The PPF pays compensation to members of defined benefit pension schemes up to a certain level. However, given the current funding position, the benefits provided by the PPF would, in almost all cases, be lower than those payable from the Uniper Group. Information about the PPF is available online at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk).

### Other information

We are required to let you know that there have not been any payments made to Uniper UK Limited out of the Uniper Group's funds over the last 12 months.

We are also legally required to tell you whether the Uniper Group has had future accrual of benefits modified by The Pensions Regulator or if any directions or schedule of contributions have been imposed on the Uniper Group by The Pensions Regulator. There has not been any such involvement from The Pensions Regulator with the Uniper Group.

If you are thinking of leaving the Uniper Group for any reason, you should consider getting professional financial advice first. You can find your nearest Independent Financial Adviser (IFA) by visiting <https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser>

Please note that an IFA may charge you for any advice they give. If you change your email address or home address, please ensure that you let the Group's administrator (Railpen) know by contacting them using the details below. If you are interested in looking at any of the formal documents that relate to the Uniper Group and its funding, please contact Railpen.

### Climate change governance and reporting

The Electricity Supply Pension Scheme as a whole is required to report on its compliance with the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations. As part of



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the ESPS, the Uniper Group provides information on its compliance with those requirements, for inclusion in the report.

A copy of the report can be found on the ESPS website at <https://www.espspensions.co.uk/#useful-documentation>.

The formal Uniper Group documents include:

- Trust Deed and Rules
- Annual Report & Accounts
- Statement of Investment Principles
- Statement of Funding Principles
- Actuarial Valuation and Actuarial Reports
- Schedule of Contributions; and
- Recovery Plan

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Adrian Furnell  
Secretary to the Trustees

September 2023