An update on the Scheme's financial health

Welcome to this year's Summary Funding Statement. This will give you an update on the financial health of the Scheme on 31 March 2026.

What is the current financial health of our Scheme?

Over the year to 31 March 2026, the financial health of the Scheme remained well protected. The Scheme had 105% of the amount needed to pay everyone's benefits on 31 March 2026. This is slightly lower than the financial position on 31 March 2025 of 106%. Even so, the security of all members' benefits remains strong.

How are we protecting the financial health of our Scheme over the longer term?

We continue to aim to achieve even greater long-term financial health for the Scheme between 2029 and 2034, so that we have enough money in lower risk investments to reduce our future reliance on Tesco.

In addition, Tesco continues to provide *£775m of extra security* to the Scheme in the form of property. This will be passed to the Scheme in the unlikely event that Tesco stops trading.

We will continue to monitor the financial health of the Scheme and manage all risks very carefully.

When is the next update?

The Trustee regularly reviews the funding position of the Scheme, and the next update will be on 31 March 2027. The Trustee will provide an update when the results are available.

Additional information we are required to provide

- *What if the unthinkable happens – if Tesco stops trading?*

  In this situation, we've assumed that the Scheme would continue to be run by the Trustee, with very low-risk investments and with the Scheme continuing to pay benefits and meet the ongoing running costs – this is more expensive than the current funding approach. The £775m of extra security would then help protect the Scheme, together with the Scheme's other funds. On 31 March 2025, these assets covered about 86% of the amount needed to run the Scheme on this very low-risk basis.

- Since the last update, the Scheme has not made any payments to Tesco. The Pensions Regulator has not been required to use any of its powers in relation to the Scheme.

- *Where can I find out more about the work the Trustee is doing on climate change?*

  You can read our Climate Change Report on our website at: pensionwebsite.co.uk/climate-change-report-gsi

  A hard copy is also available on request.

If you have any questions about this update, please get in touch.