



CUMMINS UK PENSION PLAN

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2025

SCHEME REGISTRATION NUMBER: 10244007

isio.

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CUMMINS UK PENSION PLAN

TRUSTEE, SPONSORING EMPLOYER AND ITS ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Corporate Trustee

Cummins UK Pension Plan Trustee Limited
Yarm Road
Darlington
County Durham
DL1 4PW

Trustee Directors

KN Moore (Chair)
C Redden* (resigned 19 March 2026)
I Smith*
J Guyett*
J Rose (appointed 1 January 2025)
L Thornton
M Bruniges*
N Morton
S Stubbings*
SG Coughlan
SM Seslar

**Member nominated Directors*

Secretary to the Trustee Company

C White-Lewis

Plan Actuary

A Mandley F.I.A.
Willis Towers Watson

Plan Administrator

Isio Group Limited

Independent Auditors

PricewaterhouseCoopers LLP

Banks

Clydesdale Bank PLC (trading as Virgin Money)
HSBC Bank PLC

Solicitor

Hogan Lovells

Investment Consultant

Lane Clark & Peacock LLP

CUMMINS UK PENSION PLAN

TRUSTEE, SPONSORING EMPLOYER AND ITS ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Investment Managers

Axiom Asia Private Capital
BlackRock Investment Management (UK) Limited
Cabot Square Capital
CDH Investments
Credit Suisse
HSBC Global Asset Management
Legal & General Assurance Society (Insurance Policy) (DB)
Legal & General Investment Management Ltd
Nuveen TIAA-CREF Global Agriculture
SC Management (RECAP)
Towers Watson Investment Management

Investment Custodian

Northern Trust Company

Additional Voluntary Contributions ("AVCs") Providers

Aviva
Legal & General Assurance (Pensions Management) Limited
Prudential Assurance Company Limited

Group Life Insurer

MetLife

Principal Employer

Cummins Limited
3rd Floor
Eastbourne Terrace
London
W2 6LG

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CUMMINS UK PENSION PLAN

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

Cummins UK Pension Plan Trustee Limited (the "Trustee") presents the Trustee's Report for the year 1 January 2025 to 31 December 2025.

PLAN CONSTITUTION AND MANAGEMENT

The Plan

The Cummins UK Pension Plan (the "Plan") is governed by a Definitive Trust Deed and Rules dated 29 April 1999 and subsequent amendments. The Plan is provided for all eligible employees of the Cummins Inc Group in the UK. The Principal Company of the Plan is Cummins EMEA Holdings Limited ("the holding company").

The Plan provides a number of different levels of benefits to the different categories of members. The Plan has a Defined Benefit Section and a Defined Contribution Section.

The Sponsoring Employer

The Sponsoring Employer ("The Company") is Cummins Limited (Registered No. 00573951) as stated on page 2 of this Report.

The Trustee and its Role

The Plan is managed by a corporate Trustee, Cummins UK Pension Plan Trustee Limited (Registered No. 03762337) as stated on page 1 of this Report. This company was set up especially for this purpose.

The Trustee holds the assets of the Plan on behalf of the members, pensioners and other beneficiaries in a trust fund that is completely separate from the Employer's assets. Its role is to administer the Plan in accordance with the Trust Deed and Rules. The Trustee uses its best endeavours to manage funding and investments in the Defined Benefit Section to meet the liabilities of that section. For the Defined Contribution Section the Trustee aims to provide members with a range of good quality investment options.

Appointment of Trustee Directors

The Trustee is appointed and removed in accordance with the Trust Deed.

Individual directors are appointed and removed in accordance with the Memorandum and Articles of Association of the Cummins UK Pension Plan Trustee Limited.

The Pensions Acts 1995 and 2004 and the regulations made under them set out requirements regarding the appointment and selection of Member Nominated Trustees ("MNTs"). The Trustee has written to Plan members setting out details of the process in place in respect of the appointment of member nominated directors.

Trustee Directors during the year are shown on page 1 of this Report. As at 31 December 2025 there were 4 member nominated, and 6 employer nominated Trustee Directors. It is a legal requirement that at least one third of the Trustee Directors should be member nominated. The arrangements of the Plan are such that there will be up to 16 Trustee Directors, with up to 8 being member nominated and up to 8 being employer nominated. The Trustee are in the process of updating the arrangements to allow for up to 6 Trustee Directors to reflect the current composition.

Plan Governance

The Trustee has established a Governance Committee to consider the key risks affecting the Plan and to develop and monitor the effectiveness of controls implemented to mitigate these risks.

Regulatory and Legislative Changes

The Trustee Directors are required to keep up-to-date with changes in pension regulations and legislation and have worked to ensure that the Plan and its administration comply with the Codes of Practice and guidance material issued by The Pensions Regulator and the Department for Work and Pensions during the year.

Company Guarantee

The Company has put in place a PPF guarantee whereby Cummins Limited and/or Cummins Generator Technologies Limited have underwritten PPF liabilities for all other participating employers in the event that they are unable to meet their liabilities.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL DEVELOPMENT OF THE SCHEME

The financial statements on pages 23 to 47 have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995 and have been prepared on a going concern basis. They show that the value of the fund has increased from £1,391,794,000 at 31 December 2024 to £1,392,217,000 at 31 December 2025.

MEMBERSHIP

Details of the membership of the Plan for the year are given below:

Defined Benefit Section

	Total 2025	Total 2024
Active Members		
Active members at the start of the year	399	448
Members retiring	(24)	(27)
Members leaving with preserved benefits and deferred retirements	(8)	(21)
Deaths	(2)	(1)
Active members at the end of the year	365	399
Pensioners		
Pensioners at the start of the year	4,308	4,323
Adjustments	1	8
Members retiring	120	141
Spouses and dependants	(5)	(26)
Pensioners who died	(134)	(138)
Pensioners at the end of the year	4,290	4,308
Deferred Pensioners		
Deferred pensioners at the start of the year	1,033	1,136
Adjustments	(7)	(4)
Members leaving with preserved benefits and deferred retirements	8	21
Deferred pensioners transferring out	(3)	(3)
Deferred pensioners retiring	(96)	(114)
Deferred pensioners who commuted their benefits	(1)	(1)
Deferred pensioners who died	(2)	(2)
Members with deferred benefits at the end of the year	932	1,033
Total Membership at the end of the year	5,587	5,740

Adjustments take into account member movements that occurred in the prior year, but were not confirmed until after the prior year's financial statements had been completed.

Included within the pensioners above are 916 dependants (2024:903). 3 pensioners' benefits are provided by income from annuities held in the name of the Trustee (2024: 3).

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

MEMBERSHIP (CONTINUED)

Details of the membership of the Plan for the year are given below:

Defined Contribution Section

	<u>Total 2025</u>	<u>Total 2024</u>
Active Members		
Active members at the start of the year	4,685	4,689
Adjustments	3	(1)
New members	733	654
New members – Life Assurance only	17	20
Deaths in service	-	(7)
Members retiring	(8)	(15)
Members leaving with no further benefits	(54)	(73)
Active members transferring out	(13)	(14)
Members leaving with refunds	(1)	(1)
Members leaving with preserved benefits and deferred retirements	(515)	(567)
Active members at the end of the year	4,847*	4,685*
Deferred Pensioners		
Deferred pensioners at the start of the year	5,332	5,006
Adjustments	13	(1)
Members leaving with preserved benefits and deferred retirements	515	567
Leavers with refunds	-	(2)
Deferred pensioners transferring out	(607)	(168)
Deferred pensioners retiring	(64)	(63)
Deferred pensioners who died	(10)	(7)
Members with deferred benefits at the end of the year	5,179	5,332
Total Membership at the end of the Year	10,026	10,017

*Includes 222 (2024: 254) Life Assurance Only members.

New entrants include auto enrolment members. All the members who subsequently opted out and received a refund are included in members leaving with contribution refunds.

Adjustments take into account retrospective member movements that occurred in the prior year, for which no advice was received until after the prior year's financial statements had been completed.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Pension increases

The pensions in payment were increased as follows during the Plan year:

Newage International Sections	3.0% on the pre 1997 benefit; 3.8% on the post 1997 benefit; 2.5% on the post 2006 benefit (GMP); 3.0% on the post 1988 GMP.
Cummins Diesel Section	3.0% on the Blackwood Hodge benefit; 3.0% on the pre 1997 benefit; 3.0% on the post 1988 GMP. 3.8% on the post 1997 benefit and 2.5% on the post 2006 benefit (GMP)
Cummins Engine Company Section	3.0% on the pre 1997 benefit; (GMP); 3.0% on the post 1988 GMP. 3.8% on the post 1997 benefit. 2.5% on the post 2006 benefit.
Power Group International Section	4.5% on the pre 2006 benefit in excess of the pre 1988 Guaranteed Minimum Pension (GMP); 3.0% on the post 1988 GMP 2.5% on the post 2006 benefit.
Ex-Blackwood Hodge Section	Fixed 3.0% on the pre 1984. Fixed 3.0% on post 1984.

None of the above were discretionary increases, all being in accordance with the Plan rules.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT ON ACTUARIAL LIABILITIES

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. The technical provisions represent the present value of the benefits members are entitled to. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

Actuarial Position of the Plan

A summary of the funding position as at 1 January 2024, the date of the latest Triennial Actuarial Valuation of the Plan, shows the following:

	£m
The Statutory Funding Objective (SFO) in relation to the liabilities:	(921.2)
Valuation of assets:	959.3
Surplus relative to the SFO:	38.1
Funding level:	104.1%

If the Employer goes out of business or decides to stop contributing to the Plan, the Plan may be "wound up" and the Employer would be required to pay additional money to buy all members' benefits from an insurance company. The comparison of the Plan's assets to the cost of buying the benefits from an insurance company is known as the "buy-out position". A pension scheme's buy-out position will often show a larger shortfall than the standard actuarial valuation, as insurers are obliged to take a very cautious view of the future, and they also seek to make a profit.

The Triennial Actuarial Valuation at 1 January 2024 showed that the Plan's assets would not have been sufficient to buy all members' benefits from an insurance company, as the "buy-out position" at that date was as shown below:

	£m
Estimated cost of buying benefits with an insurance company:	(1,026.3)
Value of assets:	959.3
Buy-out position deficit:	(67.0)
Funding level:	93.5%

A valuation is a snapshot of a Plan's funding position on any one particular day and it will change when, for example, there are changes in investment values or gilt yields, or if members live longer than expected.

As a result of the latest valuation that showed the Plan was in a surplus position, there was no need for the Employer and the Trustee to agree a Recovery Plan.

The Actuarial Certificate is included on page 48 of this annual report. The next full valuation is due to take place as at 1 January 2027.

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Credit Method.

Significant Actuarial Assumptions

The key assumptions used for calculating the technical provisions and future contribution requirement for the Plan were:

Discount interest rate term-specific discount rates as follows:

- Non-pensioner and pensioner liabilities not covered by the buy-in policy: derived from the Willis Towers Watson Zero Coupon Gilt Nominal Yield curve at 31 December 2017. An addition of 1.5% p.a. is applied to this curve to the end of 2028 thereafter an addition of 0.5% p.a. is applied.
- Pensioner liabilities covered by the buy-in policy: derived from the Willis Towers Watson Zero Coupon Gilt Nominal Yield curve at 31 December 2017. An increase of 0.5% p.a. is applied to this curve, with this margin reflecting the latest year end valuation provided by Legal & General Assurance Society ("LGAS").

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

Future Retail Price inflation: Term-specific assumptions for Retail Prices Index ("RPI") inflation are based on the Willis Towers Watson Zero-Coupon Gilt-Implied Breakeven Inflation ("BEI") curve.

Future Consumer Price inflation: term-specific Consumer Prices Index ("CPI") assumptions are based on the RPI assumptions less a margin of 1.0% p.a.

Pension increases: derived from the term-specific rates for future Retail and Consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

Pay increases: term-specific real pay increases were set at 1.0% p.a. above the assumed rate of RPI price inflation.

Mortality: The following standard tables have been used in relation to mortality:

- For non-pensioners: 100% for males and 96% for females of the SAPS "S3" tables (S3PMA and S3PFA), projected from 2007 in line with the CMI's core 2022 projection model using a long-term trend for improvements of 1.5% p.a. and an addition of 0.25% p.a. from 2013 to 2020.
- For pensioners not covered by the buy-in: 97% for males and 96% for females of the SAPS "S3" tables (S3PMA and S3PFA), projected from 2007 in line with the CMI's core 2022 projection model using a long-term trend for improvements of 1.5% p.a. and an addition of 0.25% p.a. from 2013 to 2020.
- For pensioners covered by the buy-in: 101% for males and 106% for females of the SAPS "S3" tables (S3PMA and S3PFA), projected from 2007 in line with the CMI's core 2022 projection model using a long-term trend for improvements of 1.5% p.a. and an addition of 0.25% p.a. from 2013 to 2020.

INVESTMENT MANAGEMENT

Overview

Responsibility for the administration and management of the Plan's assets is vested in the Trustee, who is responsible for the overall investment policy of the Plan. The day-to-day management of the Plan's investments has been delegated by the Trustee to the investment managers.

The value of Plan's portfolio (split by the defined benefit section, AVCs and defined contribution section) at 31 December 2025 is set out in Note 13 of the financial statements.

Investment Managers

In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy but will delegate responsibility for selection of specific investments to appointed investment managers, which may include insurance companies. The investment managers will provide the skill and expertise necessary to competently manage the investments of the Defined Benefit (DB) and Defined Contribution (DC) Sections of the Plan.

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments. For the purposes of Section 36 of the Pensions Act 1995, "proper advice" means: "...in any other case, the advice of a person who is reasonably believed by the trustees to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of trust schemes."

The Trustee is not involved in the investment managers' day-to-day method of operation and does not directly seek to influence attainment of their performance targets. The Trustee will maintain processes to ensure that performance is assessed on a regular basis against a measurable objective for each manager, consistent with the achievement of the Plan's long-term objectives and an acceptable level of risk. As part of this process, the Trustee has delegated the detailed monitoring of the Plan's investment managers to its investment consultant.

The Trustee also expects the investment managers, where appropriate, to engage with companies (and other relevant persons including, but not limited to, other investment managers, other stakeholders, and issuers/other holders of debt and equity) on matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest risks, and environmental, social and governance (ESG) issues (including climate change and other ESG considerations) concerning the Trustee's investments. The Trustee believes such engagement incentivises the investment managers to protect and enhance the long-term value of its investments. The Trustee seeks to select investment managers with credible net zero targets to support its own aspiration.

Investment Managers (Defined Benefit Section)

Alignment between a manager's management of the Plan's assets and the Trustee's policies and objectives is a fundamental part of the appointment process of a new manager. When investing in a pooled investment vehicle, the Trustee will ensure the investment objectives and guidelines of the vehicle are consistent with its own objectives. Where segregated mandates are used, the Trustee will use its discretion, where appropriate, to set explicit guidelines within the investment management agreement. A measurable objective has been developed for the managers that is consistent with the achievement of the Plan's longer-term objectives and this is: to perform in line with the performance targets relative to the relevant benchmark indices, listed in the investment manager agreement for each of the managers.

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment.

For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium-to-long time horizon, and to use their engagement activity, where applicable, to drive improved performance over these periods.

INVESTMENT MANAGEMENT (CONTINUED)

Investment Managers (Defined Benefit Section) (Continued)

When assessing a manager's performance, the focus is on longer-term outcomes, and the Trustee would not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.

Managers are paid based on the size of the portfolio, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement. It is the Trustee's view that fees linked to investment performance increase complexity and in most cases do not materially improve alignment with long-term objectives. Such fee structures are therefore only used in a limited number of cases.

The Trustee reviews the costs incurred in managing the Plan's assets regularly which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual manager level, the Trustee will look at the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

Custody of assets

The underlying assets are held by a number of custodians who have agreements with the investment manager of the assets. There is no direct relationship between the investment managers' custodians and the Plan.

The Plan has a direct relationship with Northern Trust as custodian of the Plan's investments with Legal & General Asset Management (L&G AM). The custodian of the Plan's pooled fund holding is appointed by the investment managers of these funds; therefore, the Trustee does not have a direct relationship with these custodians. The Plan reviews annually the procedures and controls operated by the custodian.

Investment activity over the year

DB Section:

- As part of the investment strategy review that was completed in early 2025, the Trustee, following consultation with the Sponsor, agreed to move from holding unleveraged gilts to investing in a leveraged Liability Driven Investment (LDI) mandate to improve the Plan's interest rate and inflation hedging characteristics.
- During July and August 2025, the Plan transferred its assets from BlackRock Investment Management (UK) Limited (BlackRock) to L&G AM. After receiving the assets, L&G AM reorganised the Plan's asset allocation by:
 - Restructuring the gilts portfolio into the L&G AM leveraged LDI portfolio;
 - Restructuring the buy & maintain credit portfolio into L&G AM's target portfolio; and
 - Investing in three new pooled funds (two equity funds and a short-dated credit fund).
- In August 2025, following the completion of the transfer, the DB Section of the Plan terminated its relationship with BlackRock.
- The Plan received the proceeds from the full disinvestment of the Plan's holdings in the Secure Income Fund managed by Towers Watson Investment Management. The proceeds were reinvested into the Plan's L&G AM portfolio.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

Investment activity over the year (Continued)

DC and AVC Arrangements

The Trustee has signed agreements with the platform providers in respect of the DC Section and the Plan's AVC arrangements, setting out the terms on which the portfolios are to be managed. The platform providers make available the range of investment options to members. There is no direct relationship between the Plan and the underlying managers of the DC and AVC investment funds.

The DC Section consists of a range of DC and AVC investments; the funds open to new contributions are pooled Legal & General Asset Management Ltd (L&G AM), BlackRock Investment Management (UK) Limited (BlackRock), Nordea Asset Management (Nordea), M&G Investment Management (M&G) and HSBC Global Asset Management (HSBC) funds. Active funds (property, diversified growth funds and cash) and passive funds are available to members. AVC arrangements with Aviva and Prudential also exist; however, they are not open to further contributions and so have not been included. The DC Section offers one Lifestyle strategy and a range of self-select funds.

Changes to the DC and AVC strategy

The Trustee undertook a review of the DC Section over the 2024 Plan Year and implemented the following changes over the 2025 Plan Year:

- Moved to a phased approach in the default lifestyle, which involved renaming the Accelerated Growth and Moderate Growth funds to the Grow and Strengthen funds respectively to align naming with members' retirement journey. In addition, a new blended fund was introduced for the retirement phase allocation, the Prepare Fund, to be consistent with the first two stages of the lifestyle strategy.
- The default lifestyle strategy now de-risks at 10 and 5 years from retirement (previously this was 20 and 10 years from retirement).
- Added the Nordea Diversified Return Fund into the Strengthen and Prepare funds for use alongside the L&G AM Diversified Fund.
- Introduced an allocation to the M&G Total Return Credit Investment Fund to the Prepare Fund and removed the L&G AM Cash Fund.
- Closed and removed the other two lifestyle strategies, ie the Annuity protection lifestyle and Cash lifestyle. Members were given the option to make an alternative choice before the change. If members did not make a choice, their assets were transferred into the main default.
- Launched the Shariah Lifestyle to allow members to invest in a lifestyle which aligns with their religious beliefs.

Over the Plan year, the Trustee also decided to implement a 50% currency hedge within the Grow fund to provide consistency across the Plan's equity exposure, given the implementation of 50% currency hedged exposure in the DB Section. Furthermore, the Ethical Global Equity Fund has been renamed the L&G AM FTSE4Good Developed Equity Index Fund, to match the name of the underlying fund.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

Investment Policies and Objectives

The managers' investment objectives are as follows:

Manager	Investment Objective
Matching assets	
L&G AM Segregated Leveraged Liability Driven Investment (LDI)	To manage the interest rate and inflation risk of the Plan's Liability Cashflows.
L&G AM Segregated Buy & Maintain Credit	To seek to capture the return received as a result of taking credit risk and liquidity risk through investing in a globally diversified portfolio of permitted bonds.
L&G AM Net Zero Short Dated Global Corporate Bond Fund	To provide long term return consisting of a combination of capital growth and income. The Fund aims to deliver this whilst investing in line with the Investment Manager's Net Zero Framework.
Growth assets – Listed equity	
L&G AM Low Carbon Transition Global Equity Index Fund	To produce a return consistent with the Solactive L&G Low Carbon Transition Global Index within a specified tolerance.
L&G AM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	To hold a portfolio of securities designed to match the return of the RAFI Fundamental Global Reduced Carbon Pathway 3.5% Index within a specified tolerance.
Growth assets – Private markets	
Axiom Asia Private Capital	To achieve a Net Multiple On Invested Capital (MOIC) of 2x and a double-digit Net Internal Rate of Return (IRR).
Cabot Square Capital	To achieve an Internal Rate of Return greater than 20%.
CDH VGC Fund I	To generate 2.5x – 3.0x Gross MOIC and 30% Gross IRR.
CDH VGC Fund II	To generate excess of 2.5x – 3.0x Gross MOIC and 30% Gross IRR.
SC Management (RECAP)	To achieve a gross leveraged compound annual IRR of 20%.
Nuveen TIAA-CREF	To generate a return of 8% IRR.
Other	
Buy-in	No specific performance objective.
Various managers - cash	To exceed the seven-day SONIA benchmark over a rolling three-year period.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

Investment Strategy

The broad investment objectives are agreed by the Trustee, having consulted with the Employer. Within the context of these risk and return objectives, the Trustee, taking advice from the Plan's investment consultants, decides on the overall allocation of assets between the various asset classes, and selects the appropriate managers within each asset class.

Asset class	Manager	Benchmark	Asset allocation inc buy-in (%)
Matching assets			79%
Leveraged LDI	L&G AM	Bespoke which aims to hedge 90% of the Plan's interest rate and inflation risk	26%
Buy and maintain credit	L&G AM	Absolute Return*	12%
Short-dated credit	L&G AM	Bloomberg Global Corporates 1-5 Year index	6%
Buy-in	Legal & General Assurance Society	Not applicable	28%
Cash	-	-	7%
Growth assets			21%
Passive equities	L&G AM	RAFI Fundamental Global Reduced Carbon Pathway 3.5% Index	6%
Passive equities	L&G AM	Solactive L&G Low Carbon Transition Global Index	6%
Private markets	Axiom Asia Private Capital SC Management (RECAP IV) CDH Investments VGC Fund I CDH Investments VGC Fund II SC Management (RECAP IV) Cabot Square Capital TIAA CREF (Global Agriculture II)	Absolute Return*, with FTSE All World used as a comparator	9%
Total			100%

*No benchmark has been specified by the investment manager and a suitable alternative has been suggested where relevant. Private market fund benchmarks are shown as absolute return, with longer-term performance measured against the FTSE All World Index.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

Asset Distribution

Asset values have been sourced from Northern Trust and exclude AVCs held by Aviva and Prudential Assurance Company Limited.

Manager	Value of Portfolio £000s	Distribution %
L&G AM		
Segregated Buy and Maintain Credit (excluding cash) *	97,975	11.9
Segregated Liability-driven Investment (excl. cash) **	213,300	25.8
Passive equities		
RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	52,644	6.4
Low Carbon Transition Global Equity Index Fund	51,664	6.3
Net Zero Short Dated Global Corporate Bond Fund	52,180	6.3
Total L&G AM (excluding cash)	467,763	56.7
Various managers classified as Private Markets	73,915	8.9
Axiom Asia Private Capital		
CDH Investments		
Cabot Square		
SC Management (RECAP)		
Nuveen TIAA - CREF		
Credit Suisse	970	0.1
Legal & General Assurance Society	228,800	27.7
Cash and Other Investment balances***	54,798	6.6
Total invested assets (excluding AVC)	826,246	100.0
AVCs	15,337	
Total invested assets	841,581	

Figures may not sum due to rounding.

* Includes £305k in respect of the mark-to-market value of derivatives and net pending trades.

** The market value of the LDI portfolio includes the value of bonds, repurchase arrangements ("repos") and the net mark-to-market value of derivatives (£1,536k).

*** Cash of £52,033k and other investment balances include accrued income of £2,765k.

Review of Investment Performance

The performance of the investment managers is reviewed periodically at the Trustee's meetings. The following table shows the performance of the Plan over the one, three and five year periods to 31 December 2025, based on the performance of the investment managers.

	One year	Three years	Five years
Plan	2.5%	-3.3% p.a.	-11.7% p.a.
Benchmark	1.5%	-3.6% p.a.	-11.0% p.a.

Source: LCP calculations, L&G AM and Northern Trust report.

Responsibility for monitoring the performance and on-going suitability of the Plan's investment managers has been delegated by the Trustee to the Investment Sub-Committee (the "ISC"). The ISC was set up by the Trustee to provide a greater focus and appropriate level of expertise to assist and advise on investment matters for the Plan. At any given time, the Plan is represented on the ISC by at least three Trustee Directors along with other suitably experienced individuals.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

DC and AVC Arrangements

The DC and AVC fund range performance, compared to benchmark performance ("BM"), is as shown below:

	DC (£m)	AVC (£m)	One year %		Three years % (p.a.)		Five years % (p.a.)	
			Fund	BM	Fund	BM	Fund	BM
Lifestyle funds								
Grow	458.0	10.9	15.7	15.5	14.7	14.5	12.4	12.2
Strengthen	45.7	2.2	10.8	14.7	9.2	17.7	5.2	12.2
Strengthen vs 60:40 Equity *	-	-	10.8	13.0	9.2	13.7	5.2	7.2
Prepare **	21.5	1.1	-	-	-	-	-	-
Annuity focused fund	0.5	0.1	5.5	1.0	2.9	0.8	-6.1	-6.4
Cash	1.5	0.3	4.3	4.3	4.7	4.7	3.0	3.1
Shariah Equity Fund	1.8	0.2	12.7	12.6	23.1	23.2	14.9	15.1
Shariah Multi Asset Fund ***	0.0	0.0	13.4	12.4	-	-	-	-
Shariah Bond ***	0.0	0.0	-0.2	0.2	-	-	-	-
Self-select funds								
UK Equity Index	0.8	0.1	23.8	23.9	13.4	13.4	11.6	11.6
L&G AM FTSE 4 Good Developed Equity Index ****	1.7	0.3	15.5	15.9	17.4	17.8	13.5	14.0
World Equity Index (Hedged)	1.8	0.2	21.0	21.4	21.4	21.7	13.1	13.4
World Equity Index (Unhedged)	2.3	0.1	14.9	15.2	17.1	17.4	12.7	13.0
World Emerging Markets Equity Index	0.7	<0.1	15.8	17.7	10.5	11.4	4.7	5.3
AAA-AA-A Corporate Bond All-Stocks Index	0.3	<0.1	6.2	6.3	4.8	4.9	-1.8	-1.6
Property	0.4	<0.1	5.4	5.1	2.8	3.0	3.4	3.3

Source: Legal & General. Performance is shown net of fees, after the deduction of the management fees applicable to the Plan. Note: The above AVC performance table excludes legacy AVCs with Prudential and Aviva.

* The Strengthen fund is benchmarked against equities by the manager as it is expected that over the long term, the fund will achieve similar returns to equity markets. As such, we would expect to see periods of over and underperformance versus this target over the short term. For this reason, we have added an additional 60:40 equity-bond split benchmark to provide the Trustee with a more appropriate comparator for the fund over shorter-term periods.

** This fund was added to the Plan in June 2025 and therefore longer term performance is not yet available.

*** These funds form part of the Shariah Lifestyle which was made available in June 2025. Performance of the recently added underlying funds has been shown over the 1-year period, for indicative purposes.

**** Previously named the Ethical Global Equity Index.

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

INVESTMENT MANAGEMENT (CONTINUED)

Statement of Investment Principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has produced a Statement of Investment Principles. A copy is available from the Secretary to the Trustee, and it is also available on the Cummins pension website.

Custodial Arrangements

Custodial services in respect of the Plan's pooled fund investments are provided by the respective investment managers. For other investments, the Trustee has appointed Northern Trust Company as custodian of the investment assets.

Taskforce on Sustainability Report – formerly Climate-Related Financial Disclosures (TCFD)

The Trustee has produced a Sustainability Report, which is available on the Cummins UK Pensions website and can be accessed directly at: <https://www.cumminsupensions.co.uk/media/documents/climate-change-report-2025.pdf>

COMPLIANCE

The purpose of this section is to disclose some additional information including that required by law.

Transfer Values

All cash equivalents paid during the year were calculated and verified in the manner prescribed by the Pension Schemes Act 1993, and with effect from 1 October 2008, in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008. No allowance has been made for discretionary benefits.

Related Party Transactions

The Principal Employer has paid some of the costs of administering the Plan for the year and has invoiced the Plan during the year.

Further details of related party transactions are given in Note 27 to the financial statements.

Internal Disputes Resolution Procedure

Members who have a complaint with regard to any Plan matter should contact the Pensions Manager in the first instance at the address of the Trustee Company given on page 2 of this report. However, if the complaint is not resolved informally in this way, members may make a formal complaint under the Trustee's two stage dispute resolution procedure.

Further Information

It is hoped that all members feel sufficiently well informed, and that specific requests are dealt with fully. Any concerns or requests for information relating to the member's own pension position, should be addressed in the first instance to the Scheme Administrator by post to Isio Group Limited, PO Box 108/163, Blyth, NE24 9DY/9GS or by email to cummins.helpdesk@isio.com.

Members who are dissatisfied or concerned about any matter relating to the Scheme may contact the Trustee to resolve the matter and may also seek advice or help from a number of outside bodies:

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

COMPLIANCE (CONTINUED)

The Pensions Regulator

The Pensions Regulator ("TPR") is the UK regulator of work-based pension schemes. The Pensions Act 2004 gives the Pensions Regulator a set of specific objectives:

- to protect the benefits of members of work-based pension schemes;
- to promote good administration of work-based pension schemes; and
- to reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund.

The Auditors and Scheme Actuary have a statutory duty to make an immediate written report to the Pensions Regulator if they believe that certain legal duties concerned with the administration of the Scheme are not being carried out.

The TPR has the power to:

- suspend, disqualify and remove trustees for consistently failing to carry out their duties;
- wind up schemes where necessary; and
- apply for information to prevent the misuse and misappropriation of scheme assets and apply for restriction where necessary.

Contact details for the TPR are as follows:

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

Telephone number: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

The Pension Tracing Service

The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' schemes, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF

Telephone: 0800 731 0193
From outside the UK: +44 (0) 191 215 4491
Tracing can be done online
at: www.gov.uk/find-pension-contact-details

MoneyHelper

For general requests for information or guidance concerning their pension arrangements members can contact:

Money and Pensions Service
Borough Hall
Caldwell Street
Bedford
MK42 9AB

Telephone: 0800 011 3797
From outside the UK: +44 20 7932 5780
Email: contact@maps.org.uk
Website: www.moneyhelper.org.uk

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

COMPLIANCE (CONTINUED)

Pensions Ombudsman

Any concerns in respect of the Scheme should be referred to the Scheme Administrator who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes, who have problems concerning their scheme and are not satisfied by the information or explanation given by the administrators or the trustees, can consult the Pensions Ombudsman. Contact with the Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) happened or, within three years of when the event(s) was first known about (or ought to have been known about). There is discretion for those time limits to be extended. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Complaints can also be submitted online. Further information on how to complain about an occupational pension can be seen on this page: www.pensions-ombudsman.org.uk/submit-complaint

Pension Protection Fund

The Pension Protection Fund was established to protect members' interest in certain circumstances, i.e., to provide compensation to members of eligible defined benefit schemes where there is a qualifying insolvency event in relation to the employer and there are insufficient assets in the pension scheme to cover PPF levels of compensation or the scheme assets have been reduced due to fraud, theft, or misappropriation. It does not cover losses resulting from adverse investment returns.

The Pension Protection Fund is funded by a retrospective levy on all occupational pension schemes. The address and contact details are:

Pension Protection Fund
PO Box 254
Wyndham
NR18 8DN

Telephone: 0330 123 2222
From outside the UK: +44 (0)20 8633 4902
Email: ppfmembers@ppf.co.uk
Website: www.ppf.co.uk

CUMMINS UK PENSION PLAN
TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan 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 Trustee is 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 Plan will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the scheme by or on behalf of the employer of the active members of the scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions are made to the scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule of contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Approval of the Trustee's Report

The Trustee's Report on pages 3 to 19, The DC Governance Statement in Appendix 1, DC Chair's Statement in Appendix 2 and the Implementation Statement in Appendix 3 form part of this annual report was approved by the Trustee and signed on its behalf by:

_____ Date:
Trustee Director

_____ Date:
Trustee Director

CUMMINS UK PENSION PLAN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF CUMMINS UK PENSION PLAN FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT OF THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Cummins UK Pension Plan's financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 December 2025, 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, which comprise: the statement of net assets (available for benefits) as at 31 December 2025; 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 Plan 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 Plan'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 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 Plan's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

CUMMINS UK PENSION PLAN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF CUMMINS UK PENSION PLAN (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Reporting on other information

The other information comprises all of the information in the annual report other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The 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 Trustee for the financial statements

As explained more fully in the statement of Trustee's responsibilities, the 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 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 Trustee is responsible for assessing the Plan'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 Trustee either intends to wind up the Plan, 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.

CUMMINS UK PENSION PLAN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF CUMMINS UK PENSION PLAN (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Based on our understanding of the Plan and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Plan 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 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 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.

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 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
Leeds

Date:

CUMMINS UK PENSION PLAN
FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000	Total 2024 £'000
Contributions and benefits					
Employer contributions		13,932	39,992	53,924	37,289
Employee contributions		22	-	22	34
Total contributions	5	<u>13,954</u>	<u>39,992</u>	<u>53,946</u>	<u>37,323</u>
Transfers in	6	-	1,008	1,008	2,225
Other income	7	<u>867</u>	<u>112</u>	<u>979</u>	<u>475</u>
		<u>14,821</u>	<u>41,112</u>	<u>55,933</u>	<u>40,023</u>
Benefits paid or payable	8	(52,276)	(2,528)	(54,804)	(67,083)
Payments to and on account of leavers	9	(443)	(11,998)	(12,441)	(12,691)
Administrative expenses	10	<u>(3,517)</u>	<u>(357)</u>	<u>(3,874)</u>	<u>(3,355)</u>
		<u>(56,236)</u>	<u>(14,883)</u>	<u>(71,113)</u>	<u>(83,129)</u>
Net (withdrawals)/additions from dealings with members		(41,409)	26,229	(15,180)	(43,106)
Returns on investments					
Investment income	12	36,558	-	36,558	30,587
Change in market value of investments	13	(18,154)	69,954	51,800	(57,596)
Investment management expenses	11	<u>(663)</u>	<u>(86)</u>	<u>(749)</u>	<u>(1,144)</u>
Net returns on investments		<u>17,741</u>	<u>69,868</u>	<u>87,609</u>	<u>(28,153)</u>
Net (decrease)/increase in the fund		(23,668)	96,097	72,429	(71,259)
Opening Net assets at 1 January		872,051	447,743	1,319,794	1,391,053
Transfers between Sections	29	<u>(244)</u>	<u>244</u>	<u>-</u>	<u>-</u>
Closing Net assets at 31 December		<u>848,133</u>	<u>544,084</u>	<u>1,392,217</u>	<u>1,319,794</u>

The notes on pages 25 to 47 form part of these financial statements.

CUMMINS UK PENSION PLAN

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 31 DECEMBER 2025

	Note	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000	Total 2024 £'000
Investment assets					
Pooled investment vehicles	13/15	268,978	536,921	805,899	939,182
Bonds	13	807,079	-	807,079	104,953
Insurance policies	13/18	228,800	-	228,800	246,600
AVC investments	13/19	15,774	-	15,774	13,088
Cash	13/20	14,428	-	14,428	8,503
Derivatives	13/16	507	-	507	1,380
Amounts receivable under reverse repurchase agreements	13/17	11,970	-	11,970	-
Other Investment balances	13/20	2,765	-	2,765	1,781
		<u>1,350,300</u>	<u>536,921</u>	<u>1,887,221</u>	<u>1,315,487</u>
Investment liabilities					
Derivatives	13/16	(1,737)	-	(1,737)	(2,658)
Amounts payable under repurchase agreements	13/17	<u>(506,544)</u>	<u>-</u>	<u>(506,544)</u>	<u>-</u>
Total net Investments		842,019	536,921	1,378,940	1,312,829
Current assets	25	8,933	7,199	16,132	10,154
Current liabilities	26	<u>(2,819)</u>	<u>(36)</u>	<u>(2,855)</u>	<u>(3,189)</u>
Total net assets available for benefits at 31 December		<u>848,133</u>	<u>544,084</u>	<u>1,392,217</u>	<u>1,319,794</u>

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 7 and 8 and the Actuarial Statements and Certificate on page 48 of the annual report, and these financial statements should be read in conjunction with these sections.

The notes on pages 25 to 47 form part of these financial statements.

The financial statements were approved for and on behalf of the Trustee by:

_____ Date:
Trustee Director

_____ Date:
Trustee Director

CUMMINS UK PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

The individual financial statements of Cummins UK Pension Plan 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 Cummins UK Pension Plan is a hybrid plan established as a trust under English law. The Trustee's registered office is c/o Cummins Limited, Yarm Road, Darlington, Co. Durham DL1 4PW.

3. ACCOUNTING POLICIES

The principal accounting policies of the Plan are as follows:

3.1 Accrual concept

The financial statements have been prepared on an accruals basis in line with recognition of the associated benefits payable.

3.2 Contributions

- a) Normal contributions and AVCs, both from employees and employers are generally accounted for on an accrual's basis in the payroll period to which they relate. For employees, this is when contributions are deducted from pay.
- b) Contributions in respect of employees in the first 30 days following auto-enrolment are accounted for when their right to opt-out has expired, unless remitted to the Plan earlier. Contributions payable under salary sacrifice arrangements are classified as employer contributions.
- c) Employers' augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in absence of such agreement, when received.
- d) Other contributions made by the employer to reimburse costs and levies payable by the Trustee are accounted for on the same basis as the corresponding expense.

3.3 Payments to members

- a) Benefits payable represent all valid benefit claims in respect of the Plan year.
- b) Benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
- c) Pensions in payment are accounted for in the period to which they relate.
- d) 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 Plan. They are accounted for on an accruals basis on the date the trustees of the receiving scheme accept the liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.
- e) Where the Trustee agrees, or is 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 Plan, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and is shown separately within benefits.

3.4 Administrative expenses and Investment management expenses

Administrative expenses and premiums on term insurance policies are accounted for on an accruals basis.

3.5 Investment income

- a) Income from pooled investment vehicles is accounted for on an accruals basis.
- b) Interest on cash deposits is accrued on a daily basis.
- c) Income arising from annuity policies is included in investment income, and the pensions paid are included in pension payments.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONTINUED)

3.6 Foreign currency

- a) The Plan's functional and presentational currency is Pounds Sterling.
- b) Assets and liabilities in foreign currencies are expressed in Sterling at the rates of exchange ruling at the year end.
- c) Foreign currency transactions are recorded in Sterling at the exchange rate at the date of the transaction. Unrealised surpluses and deficits arising on conversion or translation are shown within change in market value. Realised surpluses and deficits are disclosed in investment income.

3.7 Valuation of Investments

- a) Investment management fees are accounted for on an accruals basis and are separately disclosed in the notes to the financial statements. These fees and other acquisition costs are included in the purchase cost of investments.
- b) 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. Investments are included at fair value as described below:
- c) Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager.
- d) Bonds which are traded on an active market are included at the quoted price, which is normally the bid price.
- e) Private equity pooled funds are valued at fair value as calculated by the investment manager at the latest valuation date of December in accordance with generally accepted guidelines.
- f) Insurance policies are included in the financial statements based on a valuation provided by the insurers. This valuation, which is updated annually, represents the actuarial valuation of the corresponding liabilities on a net premium basis based on relevant pensioner data and market conditions at the year end date.
- g) The AVC investments include policies of assurance underwritten by the AVC providers. The market value of these investments has been taken as the surrender values of the policies at the year end, as advised by the provider.
- h) OTC Swaps are stated at fair value as reported in the valuation provided by the investment manager at the year end. The amounts included in change in market value are the realised gains or losses on closed contracts and the unrealised gains or losses on open contracts. Net coupon receipts or payments on swap contracts are reported within investment income.
- i) Repurchase and reverse repurchase agreements – the Plan recognises and value the securities that are delivered out as collateral, and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount. For reverse repurchase agreements, the Plan does not recognise the securities received as collateral in its financial statements but does recognise the cash delivered to the counterparty as a receivable in the financial statements.
- j) The foreign exchange exposure of the Plan relates to the investment in overseas assets or liabilities as determined in the strategic asset allocation of the Plan.
- k) The changes in investment market values are accounted for in the period in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end. In the case of pooled investment vehicles that are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.
- l) Forward foreign exchange contracts outstanding at the year end are stated at the fair value which is determined as the gain or loss that would arise if the outstanding contract were closed out at the period-end with an equal and opposite contract.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONTINUED)

3.8 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.

No critical accounting judgements have been made in the financial statements.

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Plan, the Trustee believes 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 Plan investments and, in particular, those classified in Level 3 of the fair-value hierarchy which include insurance policies held by the Plan.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT AND STATEMENT OF NET ASSETS

		<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Contributions and benefits</i>				
<i>Employer contributions</i>		4,452	32,837	37,289
<i>Employee contributions</i>		34	-	34
<i>Total contributions</i>	5	<u>4,486</u>	<u>32,837</u>	<u>37,323</u>
<i>Transfers in</i>	6	-	2,225	2,225
<i>Other income</i>	7	361	114	475
		<u>4,847</u>	<u>35,176</u>	<u>40,023</u>
<i>Benefits paid or payable</i>	8	(61,730)	(5,353)	(67,083)
<i>Payments to and on account of leavers</i>	9	(994)	(11,697)	(12,691)
<i>Administrative expenses</i>	10	(2,947)	(408)	(3,355)
		<u>(65,671)</u>	<u>(17,458)</u>	<u>(83,129)</u>
<i>Net (withdrawals)/additions from dealings with members</i>		(60,824)	17,718	(43,106)
<i>Returns on investments</i>				
<i>Investment management expenses</i>	11	(1,037)	(107)	(1,144)
<i>Investment income</i>	12	30,587	-	30,587
<i>Change in market value of investments</i>	13	(106,206)	48,610	(57,596)
<i>Net returns on Investments</i>		<u>(76,656)</u>	<u>48,503</u>	<u>(28,153)</u>
<i>Net (decrease)/increase in the fund during the year</i>		(137,480)	66,221	(71,259)
<i>Transfers between Sections</i>	29	(536)	536	-
<i>Net assets at 1 January</i>		<u>1,010,067</u>	<u>380,986</u>	<u>1,391,053</u>
<i>Net assets at 31 December</i>		<u><u>872,051</u></u>	<u><u>447,743</u></u>	<u><u>1,319,794</u></u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

4. COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT AND STATEMENT OF NET ASSETS (CONTINUED)

	Note	Defined Benefit Section 2024 £'000	Defined Contribution Section 2024 £'000	Total 2024 £'000
<i>Investment assets</i>				
<i>Pooled investment vehicles</i>	13/15	495,330	443,852	939,182
<i>Bonds</i>	13	104,953	-	104,953
<i>Insurance policies</i>	13/18	246,600	-	246,600
<i>AVC investments</i>	13/19	13,088	-	13,088
<i>Cash</i>	13/20	8,503	-	8,503
<i>Derivatives</i>	13/16	1,380	-	1,380
<i>Other Investment balances</i>	13/20	1,781	-	1,781
		<u>871,635</u>	<u>443,852</u>	<u>1,315,487</u>
<i>Investment liabilities</i>				
<i>Derivatives</i>	13/16	(2,658)	-	(2,658)
		<u>868,977</u>	<u>443,852</u>	<u>1,312,829</u>
<i>Total net investments</i>				
<i>Current assets</i>	25	6,208	3,946	10,154
<i>Current liabilities</i>	26	(3,134)	(55)	(3,189)
		<u>872,051</u>	<u>447,743</u>	<u>1,319,794</u>
<i>Net assets at 31 December</i>				

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5. CONTRIBUTIONS

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Employer Contributions			
Normal	-	17,139	17,139
Salary Sacrifice	11,552	12,885	24,437
Salary Sacrifice (AVC)	2,099	6,959	9,058
Other	281	3,009	3,290
	<u>13,932</u>	<u>39,992</u>	<u>53,924</u>
Employee Contributions			
Normal	22	-	22
	<u>13,954</u>	<u>39,992</u>	<u>53,946</u>
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Employer Contributions</i>			
<i>Normal</i>	-	15,930	15,930
<i>Salary Sacrifice</i>	2,515	11,980	14,495
<i>Salary Sacrifice (AVC)</i>	1,918	4,926	6,844
<i>Other</i>	19	1	20
	<u>4,452</u>	<u>32,837</u>	<u>37,289</u>
<i>Employee Contributions</i>			
<i>Normal</i>	29	-	29
<i>AVCs</i>	5	-	5
	<u>4,486</u>	<u>32,837</u>	<u>37,323</u>

The Schedule of Contributions dated 1 November 2024 has no requirement for deficit contributions as the Plan is in surplus. Other contributions in 2024 and 2025 relate to pensioner Trustee stipend payments and other sundry employer contributions.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6. TRANSFERS IN

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Individual transfers in from other schemes	-	1,008	1,008
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Individual transfers in from other schemes</i>	<i>-</i>	<i>2,225</i>	<i>2,225</i>

7. OTHER INCOME

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Claims on term insurance policies	630	-	630
Other income	237	112	349
	867	112	979
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Claims on term insurance policies</i>	<i>164</i>	<i>-</i>	<i>164</i>
<i>Other income</i>	<i>197</i>	<i>114</i>	<i>311</i>
	<i>361</i>	<i>114</i>	<i>475</i>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

8. BENEFITS PAID OR PAYABLE

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Pensions	41,036	-	41,036
Commutations of pensions and lump sum retirement benefits	8,969	1,788	10,757
Taxation	1,236	-	1,236
Purchase of annuities	-	136	136
Lump sum death benefits	1,035	604	1,639
	<u>52,276</u>	<u>2,528</u>	<u>54,804</u>

	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Pensions</i>	<i>49,576</i>	<i>-</i>	<i>49,576</i>
<i>Commutations of pensions and lump sum retirement benefits</i>	<i>11,041</i>	<i>2,526</i>	<i>13,567</i>
<i>Taxation</i>	<i>582</i>	<i>-</i>	<i>582</i>
<i>Purchase of annuities</i>	<i>-</i>	<i>700</i>	<i>700</i>
<i>Lump sum death benefits</i>	<i>531</i>	<i>2,127</i>	<i>2,658</i>
	<u><i>61,730</i></u>	<u><i>5,353</i></u>	<u><i>67,083</i></u>

9. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Individual transfers out to other schemes	<u>443</u>	<u>11,998</u>	<u>12,441</u>

	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Individual transfers out to other schemes</i>	<u><i>994</i></u>	<u><i>11,697</i></u>	<u><i>12,691</i></u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10. ADMINISTRATIVE EXPENSES

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Investment consultancy fees	844	357	1,201
Administration and processing	1,202	-	1,202
Other fees and expenses (including Trustee expenses)	455	-	455
Actuarial fees	513	-	513
Legal and other professional fees	364	-	364
Pension Plan levies payable	75	-	75
Audit fees	45	-	45
Covenant fees	19	-	19
	<u>3,517</u>	<u>357</u>	<u>3,874</u>

	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Investment consultancy fees</i>	<i>579</i>	<i>408</i>	<i>987</i>
<i>Administration and processing</i>	<i>932</i>	<i>-</i>	<i>932</i>
<i>Other fees and expenses (including Trustee expenses)</i>	<i>525</i>	<i>-</i>	<i>525</i>
<i>Actuarial fees</i>	<i>474</i>	<i>-</i>	<i>474</i>
<i>Legal and other professional fees</i>	<i>294</i>	<i>-</i>	<i>294</i>
<i>Pension Plan levies payable</i>	<i>74</i>	<i>-</i>	<i>74</i>
<i>Audit fees</i>	<i>43</i>	<i>-</i>	<i>43</i>
<i>Covenant fees</i>	<i>26</i>	<i>-</i>	<i>26</i>
	<u><i>2,947</i></u>	<u><i>408</i></u>	<u><i>3,355</i></u>

11. INVESTMENT MANAGEMENT EXPENSES

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Administration, management and custody	<u>663</u>	<u>86</u>	<u>749</u>

	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Administration, management and custody</i>	<u><i>1,037</i></u>	<u><i>107</i></u>	<u><i>1,144</i></u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

12. INVESTMENT INCOME

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Income from bonds	15,212	-	15,212
Annuity income	21,346	-	21,346
	<u>36,558</u>	<u>-</u>	<u>36,558</u>
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Income from pooled investment vehicles</i>	<i>9,055</i>	<i>-</i>	<i>9,055</i>
<i>Annuity income</i>	<i>21,532</i>	<i>-</i>	<i>21,532</i>
	<u><i>30,587</i></u>	<u><i>-</i></u>	<u><i>30,587</i></u>

13. INVESTMENT RECONCILIATION

	Value at 1 January 2025 £'000	Cost of investments purchased and derivative payments £'000	Proceeds of sales of investments and derivative receipts £'000	Change in market value £'000	Value at 31 December 2025 £'000
Defined Benefit Section					
Pooled investment vehicles	495,330	305,454	(194,825)	(336,981)	268,978
Bonds	104,953	1,324,985	(956,556)	333,697	807,079
Derivatives (net)	(1,278)	7,039	(7,396)	405	(1,230)
Insurance policies	246,600	-	-	(17,800)	228,800
AVC investments	13,088	2,205	(2,044)	2,525	15,774
	<u>858,693</u>	<u>1,639,683</u>	<u>(1,160,821)</u>	<u>(18,154)</u>	<u>1,319,401</u>
Cash deposits	8,503				14,428
Repurchase and reverse repurchase agreements	-				(494,574)
Other Investment balance	1,781				2,765
	<u>868,977</u>				<u>842,019</u>
Defined Contribution Section					
Pooled investment vehicles	<u>443,852</u>	<u>37,645</u>	<u>(14,530)</u>	<u>69,954</u>	<u>536,921</u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13. INVESTMENT RECONCILIATION (CONTINUED)

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Where the investments are held in a unitised fund, the change in market value also includes expenses, both implicit and explicit, for the year and any reinvested income, where income is not distributed.

For the Defined Contribution Section, investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee. The Plan Administrator allocates investment units to members. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

Defined contribution assets are split as allocated to members and not designated or allocated to members and therefore available to the Trustee to apply as specified in the Plan rules, as follows:

	2025	2024
	£'000	£'000
Allocated to members	536,905	443,720
Not designated or allocated to members	16	132
	<u>536,921</u>	<u>443,852</u>

14. TRANSACTION COSTS

There were no material direct costs during the year. 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 Trustee to quantify such indirect transaction costs.

15. POOLED INVESTMENT VEHICLES

The Plan's investments in pooled investment vehicles at the year end comprised:

	2025	2024
	£'000	£'000
Defined Benefit Section		
Private equity	73,915	81,445
Gilts	-	346,630
Property	-	63,796
Liquidity	37,605	-
Bonds	52,180	-
Equities	105,277	3,459
	<u>268,977</u>	<u>495,330</u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

15. POOLED INVESTMENT VEHICLES (CONTINUED)

	2025	2024
	£'000	£'000
Defined Contribution Section		
Equities	486,735	300,148
Strengthen funds (formerly Moderate funds)	45,661	121,822
Pre-retirement funds	-	13,719
Cash funds	1,481	3,517
Amanah funds	1,842	1,358
Property	420	160
Bonds	294	227
Annuity focused funds	487	2,902
	<u>536,921</u>	<u>443,852</u>

The DC pooled funds are mostly white-labelled LGIM funds. The Scheme also invests in the Cummins Growth Fund, Cummins Strengthen Fund and Cummins Prepare Fund which are bespoke blended funds, with LGIM PIVs as the underlying assets. The total value of the bespoke funds is £525,110,671 (2024: £416,557,000).

16. DERIVATIVES

Objectives and policies

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Plan as follows:

Over The Counter (OTC) swaps – in order to maintain appropriate diversification of investments within the portfolio and for efficient portfolio management, swaps are used to adjust the interest rate exposure of some of the corporate bonds.

Forward foreign exchange (FFX) – In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

	Assets	Liabilities	2025	Assets	Liabilities	2024
	£'000	£'000	£'000	£'000	£'000	£'000
OTC swaps	166	(1,728)	(1,562)	1,022	(2,027)	(1,005)
Futures	78	-	78	-	-	-
FFX	263	(9)	254	358	(631)	(273)
	<u>507</u>	<u>(1,737)</u>	<u>(1,230)</u>	<u>1,380</u>	<u>(2,658)</u>	<u>(1,278)</u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16. DERIVATIVES (CONTINUED)

OTC SWAPS

The notional principal of the swap is the amount used to determine the value of swapped interest receipts and payments.

Nature	Notional amounts	Contracts	Expiration	Asset value £'000	Liability value £'000
Total return swaps	154,640	6	2026	164	(85)
Total return swaps	7,900	1	2027	2	-
Total return swaps	6,750	1	2028	-	(1)
Total return swaps	5,000	1	2029	-	(5)
Total return swaps	116,500	3	2030	-	(672)
Total return swaps	62,450	2	2035	-	(965)
Total 2025	353,240			166	(1,728)
<i>Total 2024</i>	<i>75,526</i>			<i>1,022</i>	<i>(2,027)</i>

Futures	Notional amount	2025		2024	
		Assets	Liabilities	Assets	Liabilities
		£'000	£'000	£'000	£'000
Future EUR	132	60	-	-	-
Future USD	2	18	-	-	-
Total	134	78	-	-	-

Forward Foreign Exchange (FFX)

	Settlement Date	Currency bought	Currency Sold	Asset value £'000	Liability value £'000
FFX – 2 contracts	1 month	£5,014	\$6,700	33	-
FFX – 1 contract	1 month	£6,369	€7,300	-	(9)
FFX – 1 contract	2 months	£6,623	\$7,500	62	-
FFX – 1 contract	2 months	£4,866	€6,400	108	-
FFX – 1 contract	3 months	£4,857	\$6,500	24	-
FFX – 1 contract	3 months	£5,462	€6,190	36	-
Total 2025				263	(9)
<i>Total 2024</i>				<i>358</i>	<i>(631)</i>

Collateral on currency forwards and interest rate swaps

Collateral pledged at the year end was £NIL(2024: £539,000) and collateral held at the year end was £NIL (2024: £1,702,000).

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

17. REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

	2025	2024
	£'000	£'000
Amounts receivable under reverse repurchase agreements	11,970	-
Amounts payable under repurchase agreements	<u>(506,544)</u>	<u>-</u>
	<u>(494,574)</u>	<u>-</u>

Bonds with a fair value of £504,456k have been sold subject to repurchase contracts and therefore continue to be recognised in the financial statements. There are 21 (2024: nil) repurchase agreements, with maturity dates between January and October 2026.

Bonds with a fair value of £13,685k received as collateral in respect of reverse repurchase agreements are not recognised in the financial statements. Cash delivered to the counterparties is recognised as amounts received in the table above. There is 1 (2024: nil) reverse repurchase agreement, with maturity date of October 2026.

18. INSURANCE POLICIES

During 2012, the Trustee purchased a deferred premium buy-in insurance policy with Legal & General Assurance Society ("LGAS") in order to address the interest rate, inflation and mortality risk associated with the pensioner liabilities in the Plan as at 31 December 2011. These liabilities were assumed by the buy-in provider, LGAS, after a ten-year deferment period ending in 2022.

The insurance policy is included as an asset of the Defined Benefit Section at a valuation provided to the Trustee by the Plan's insurers representing the actuarial valuation of the corresponding liabilities on a net premium basis based on relevant pensioner data and market conditions at the year-end date. The valuation is therefore impacted by factors such as the premium margin, mortality and demographic assumptions and financial assumptions such as interest rates and inflation.

The assumptions used were a post-retirement discount rate of 0.5% p.a., RPI inflation are based on the Willis Tower Watson Zero-Coupon Gilt Implied Breakeven Inflation ("BEI") curve. The mortality assumptions are in line with the CMI's core 2022 projection model using a long-term trend for improvements of 1.5%p.a. and an addition of 0.25%p.a. from 2013 to 2020.

The custodian for the assets held under the insurance policy is HSBC Bank plc. The Plan held insurance policies at the year-end as follows:

	2025	2024
	£'000	£'000
Deferred Premium Buy-In – LGAS	<u>228,800</u>	<u>246,600</u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

19. AVC INVESTMENTS

AVC investments held by members of the Defined Contribution Section are invested with the main Defined Contribution Section assets and are not separately distinguishable.

The Trustee holds assets invested separately from the main Defined Benefit Section investments to secure additional benefits on a money purchase basis for those Defined Benefit Section members electing to pay AVCs. These policies are held within a With-Profits Fund arrangement. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year.

The aggregate amounts of Defined Benefit Section AVC investments are as follows:

	2025	2024
	£'000	£'000
Legal & General	15,337	12,853
Prudential Assurance Company Limited	429	227
Aviva	8	8
	<u>15,774</u>	<u>13,088</u>

20. CASH AND OTHER INVESTMENT BALANCES

	2025	2024
	£'000	£'000
Defined Benefit Section		
Investment manager cash and cash instruments	14,428	8,503
Investment income accrual	2,765	1,781
	<u>17,192</u>	<u>10,284</u>

21. INVESTMENT FAIR VALUE HIERARCHY

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability

Pooled investment vehicles that 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 value applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other pooled investment vehicles that are unquoted or not actively traded on a quoted market is estimated by the Trustee. 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 that prevent realisation at that value, in which case adjustments are made. No such adjustments have been made to the valuations at 31 December 2025 or 31 December 2024.

Insurance policies are included in the financial statements based on a valuation provided by the insurers.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

21. INVESTMENT FAIR VALUE HIERARCHY (CONTINUED)

The Plan's investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

	31 DECEMBER 2025			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Defined Benefit Section				
Pooled investment vehicles	37,606	156,486	74,885	268,977
Bonds	709,409	97,670	-	807,079
Insurance policies	-	-	228,800	228,800
Derivatives	-	-	(1,230)	(1,230)
AVC investments	-	15,774	-	15,774
Cash	14,428	-	-	14,428
Repurchase and reverse repurchase agreements	-	(494,574)	-	(494,574)
Other Investment balances	2,765	-	-	2,765
TOTAL	764,208	(224,644)	302,455	842,019
Defined Contribution Section				
Pooled investment vehicles	-	536,921	-	536,921
	31 DECEMBER 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<i>Defined Benefit Section</i>				
<i>Pooled investment vehicles</i>	-	346,630	148,700	495,330
<i>Bonds</i>	-	104,953	-	104,953
<i>Insurance policies</i>	-	-	246,600	246,600
<i>Derivatives</i>	-	-	(1,278)	(1,278)
<i>AVC investments</i>	-	12,853	235	13,088
<i>Cash</i>	8,503	-	-	8,503
<i>Other Investment balances</i>	1,781	-	-	1,781
TOTAL	10,284	464,436	394,257	868,977
<i>Defined Contribution Section</i>				
<i>Pooled investment vehicles</i>	-	443,852	-	443,852

Please note that this breakdown excludes cash held in the Plan's bank account

22. INVESTMENT RISKS

FRS 102 requires the disclosure of information in relation to certain investment risks. FRS 102 sets out these risks as follows:

Credit risk 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 comprises currency risk, interest rate risk and other price risk, defined as follows:

- **Currency risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Other price risk** is the risk that the fair value or future cash flows of a financial instrument 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.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

22. INVESTMENT RISKS (CONTINUED)

The Trustee determines their investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in different asset classes. The Trustee manages investment risks, including credit risk and market risk, through balancing a diversified portfolio with the Plan's strategic investment objectives.

Further information on the Trustee's approach to risk management, credit and market risk is set out below.

Defined Benefit Section

The following table summarises the extent to which the various classes of investments are affected by financial risk. Further explanation of these risks and the Trustee's approach to risk management, credit and market risk is set out below:

Fund	Direct Credit Risk	Indirect Credit Risk	Market risk			2025 Value £'000	2024 Value £'000
			Currency	Interest rate	Other price		
Pooled Investment Vehicles							
<i>Gilts</i>	Y	N	N	Y	N	-	346,630
<i>Property</i>	Y	Y	Y	Y	Y	-	63,796
<i>Bonds</i>	Y	Y	N	Y	N	52,180	-
<i>Equities</i>	Y	N	Y	N	Y	104,307	-
<i>Private Equity</i>	Y	N	Y	N	Y	73,915	81,445
<i>Other PIVs</i>	Y	N	N	N	Y	970	3,459
<i>Liquidity</i>	N	N	N	N	N	37,606	-
Bonds	Y	Y	N	Y	N	807,079	104,953
Insurance Policies	Y	N	N	Y	Y	228,800	246,600
AVC Investments	Y	Y	Y	Y	Y	15,774	13,088
Repurchase and reverse repurchase agreements	N	Y	N	Y	N	(494,574)	-
Derivatives	Y	Y	Y	Y	N	(1,230)	(1,278)
Cash and Other Investment Balances	N	N	N	N	N	17,192	10,284
Total Investments						842,019	868,977

Direct Credit Risk

The Plan is subject to credit risk through its investments in pooled investment vehicles, sole investor arrangements in bonds, over-the-counter (OTC) derivatives, and bulk annuity insurance policy (i.e. buy-in). It is directly exposed to credit risk in relation to the solvency of the custodians of those funds.

The Plan's holdings in pooled investment vehicles are 'unrated' from a credit perspective. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the assets of the custodian and the investment manager; the regulatory environments in which the pooled fund managers operate; and diversification of the Plan's investments across a number of pooled funds.

22. INVESTMENT RISKS (CONTINUED)

Direct Credit Risk (Continued)

The Trustee carries out due diligence checks on investments into new pooled funds and on an ongoing basis monitors any changes to the operating environment of those pooled funds. The Trustee also carries out due diligence checks on new appointments of investment managers and custodians for sole investor arrangements and on an ongoing basis monitors any changes to the operating environment of these entities.

The managers of the sole investor bond portfolios manage credit risk by having a diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to securities rated below investment grade. The magnitude of credit risk within each portfolio will vary over time, as the manager changes the underlying investments in line with its views on markets and specific securities.

Within the LDI portfolio, there is exposure to credit risk as the LDI portfolio manager uses derivative instruments and repurchase agreements to match the Plan's liabilities. The terms under which the LDI portfolio is managed include provisions to manage the exposure to credit risk, such as limits on the exposure to any single counterparty and minimum credit ratings that all counterparties must meet. In addition, the derivative positions are collateralised daily so as to aim to limit credit risk to one day's market movements.

The role of a custodian is to ensure the safe-keeping of the assets and facilitate all transactions entered into by the appointed investment managers. The Trustee is not responsible for the appointment of the custodian of the assets contained within the various pooled fund investments. The pooled investment vehicle's governing body is responsible for appointing its own custodian for the safe-keeping, monitoring and reconciliation of documentation relating to these securities.

Indirect credit risk – Bonds

The Plan is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, for example where they invest in bonds. The indirect exposure to credit risk arises from the Plan's investments in the L&G AM Net Zero Short Dated Global Corporate Bond Fund, L&G AM Segregated Leveraged LDI and L&G AM Segregated Buy & Maintain Credit mandate. The amount invested in for the pooled fund is shown in the table at the end of this section.

The manager manages credit risk by having a diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to securities rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific securities.

Indirect credit risk – Derivatives and Repurchase Agreements

Within the LDI portfolio, there is exposure to credit risk as the LDI portfolio manager uses derivative instruments and repurchase agreements to match the Plan's liabilities. The terms under which the LDI portfolio is managed include provisions to manage the exposure to credit risk, such as limits on the exposure to any single counterparty and minimum credit ratings that all counterparties must meet. In addition, the derivative positions are collateralised daily so as to aim to limit credit risk to one day's market movements.

Direct credit risk – Annuities

There is also direct credit risk associated with the Plan's insured bulk annuity with Legal & General Assurance (Pensions Management) Limited which the Trustee considered before the policy was taken out. This risk is mitigated by the regulatory environment in which the insurer operates and the diversification of the policy's underlying assets.

As at 31 December 2025 around 45% (2024: 21%) of the Plan's assets were invested in funds or securities that are significantly exposed to indirect credit risk.

22. INVESTMENT RISKS (CONTINUED)

Currency risk

As the Plan's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

Whilst the majority of the currency exposure of the Plan's assets is to Sterling, the Plan is subject to currency risk because some of the Plan's investments are held in overseas markets. The Trustee considers the overseas currency exposure in the context of the overall investment strategy, and believes that the currency exposure that exists diversifies the strategy and is appropriate.

Furthermore, the Trustee manages the amount of currency risk by investing in pooled funds that hedge some or all of their currency exposure.

All of the Plan's pooled funds are accessed via a Sterling share class. Therefore the Plan is not subject to direct currency risk. As the Plan's assets are only invested in Sterling investments, Sterling hedged overseas investments, or mandates with minimal exposure to overseas investments, the Plan has negligible exposure to indirect currency risk.

The exposure to foreign currencies within the pooled funds will vary over time as the manager changes the underlying investments, but is not expected to be a material driver of returns over the longer term. Decisions about the exposure to foreign currencies within the pooled funds held are at the discretion of the appointed fund managers.

As at 31 December 2025 around 23% (2024: 18%) of the Plan's assets were invested in funds or securities that are significantly exposed to currency risk.

Interest rate and inflation rate risk

Interest rate risk and inflation risk is a material risk for the Plan given that movements in interest rates and inflation are a material influence on the value of the liabilities assessed in present day terms. Some of the Plan's assets are subject to interest rate risk (both nominal and real interest rates). However, the overall interest rate exposure of the Plan's assets hedges part of the corresponding risks associated with the Plan's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustee believes that it is appropriate to have exposure to interest rate risk in this manner.

As at 31 December 2025 around 72% (2024: 89%) of the Plan's assets were invested in funds or securities that are significantly exposed to interest rate and/or inflation risk.

Other price risk

The Plan's assets are exposed to risks of market prices other than currencies and interest rates, such as the pooled funds that hold equities being subject to movements in equity prices.

The Trustee monitors this risk on a regular basis, looking at the performance of the Plan as a whole as well as each individual portfolio. The Trustee believes that the Plan's assets are adequately diversified between different asset classes and within each asset class to manage this risk.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

22. INVESTMENT RISKS (CONTINUED)

As at 31 December 2025 around 50% (2024: 47%) of the Plan's assets were invested in funds or securities that are significantly exposed to other price risk.

	Value of assets exposed to risk 2025 £'000	<i>Value of assets exposed to risk 2024 £'000</i>
Plan Risk Exposures		
Indirect credit Risk (Bonds, Property, Repurchase Agreements, Derivatives and AVCs)	378,792	181,601
Direct credit Risk (Equities, Gilts, Bonds, Property, Private Markets, Other, AVC and Buy-in)	786,784	755,018
Currency Risk (Equities, Property, Private Markets, Derivatives and AVCs)	192,329	158,328
Interest Rate Risk (Gilts, Property, Bonds, AVCs, Repurchase Agreements, Derivatives and Buy-in)	607,502	775,066
Other Price Risk (Equities, Private Markets, Property, Other, AVC and Buy-in)	423,329	408,388

Derivatives are included within the Other Investment Balances and as at 31 December 2025 were (£1,230k). The analysis this year has included the risk disclosures for derivatives in the values above.

A summary of DB pooled investment vehicles by type of arrangement is as follows:

	2025 £'000	2024 £'000
Pooled Investment Vehicles by Type		
Open-Ended Investment Companies	38,575	3,459
Shares of Limited Liability Partnerships	55,944	62,397
Undertakings for Collective Investment in Transferable Securities	17,970	19,048
Qualifying Investor Alternative Investment Fund	-	63,796
Unit-Linked Insurance Contracts	156,488	346,630
	<u>268,977</u>	<u>495,330</u>

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

22. INVESTMENT RISKS (CONTINUED)

Defined Contribution Section

The DC Section is also subject to indirect credit, market and other risks arising from the underlying investments held in the funds. The funds' exposure to these risks is set out below:

Fund	Credit Risk	Market risk			31 Dec 2025 (£'000)	31 Dec 2024 (£'000)
		Currency	Interest rate	Other price		
Grow	N	Y	N	Y	457,958	294,733
Strengthen	Y	Y	Y	Y	45,661	121,822
Prepare	N	N	N	Y	21,492	-
UK Equity Index	N	N	N	Y	765	841
World Equity Index (unhedged)	N	Y	N	Y	2,274	1,641
World Equity Index (hedged)	N	Y	N	Y	1,774	698
World Emerging Markets Equity Index	N	Y	N	Y	733	428
L&G AM FTSE4Good Developed Equity Index	N	Y	N	Y	1,738	1,806
Property	Y	N	Y	Y	421	160
AAA-AA-A Corporate Bond All-Stocks Index	Y	N	Y	N	294	227
Pre-Retirement	Y	N	Y	N	-	13,719
Annuity focused	Y	N	Y	N	487	2,902
Cash	N	N	N	N	1,481	3,517
Shariah Equity Fund	N	Y	N	Y	1,842	1,358
Shariah Multi-Asset Fund	Y	Y	N	Y	1	-
Shariah Bond	Y	Y	N	Y	1	-
Total					536,921	443,852

The analysis of these risks set out above is at Plan level. Member level risk exposures will be dependent on the funds invested in by members.

The Trustee has selected the above funds and has considered the indirect risks in the context of the investment strategy described in the Trustee's Report.

23. EMPLOYER RELATED INVESTMENT

Direct employer-related investments as at 31 December 2025 were <1% (2024: <1%).

The Trustee recognises that indirect investment in the sponsoring employer's parent company, is possible through holdings in pooled investment vehicles. Based on information provided by the investment managers, the Trustee estimates that, at 31 December 2025, any indirect exposure to shares in companies related to the sponsoring employer was <1% (2024: <1%) of the net assets of the Plan. The DB indirect exposure is 0.01% of total DB assets while the DC indirect exposure is 0.14% of total DC assets.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24. CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Plan's net assets as at 31 December:

	2025		2024	
	£'000	%	£'000	%
Legal & General DBKR Cummins Accelerated	457,957	32.9	302,132	22.9
Legal & General Buy-In Insurance Policy	228,800	16.4	246,600	18.7
BlackRock Pensions Limited Aquila Fund Over 25	-	-	193,799	14.7
BlackRock Life Limited Aquila Fund Over 25	-	-	152,831	11.6
LGIM Cummins Moderate Fund	-	-	125,417	9.5

25. CURRENT ASSETS

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Contributions due from Employer in respect of:			
Employer	7	-	7
Employee	2	-	2
Prepaid pensions	2,752	-	2,752
Cash and bank balances	6,172	7,199	13,371
	<u>8,933</u>	<u>7,199</u>	<u>16,132</u>
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
Contributions due from Employer in respect of:			
Employer	2	1	3
Employee	6	1	7
Prepaid pensions	2,708	-	2,708
Cash and bank balances	3,492	3,944	7,436
	<u>6,208</u>	<u>3,946</u>	<u>10,154</u>

Contributions due under the Schedule and noted above were received on time, after the year end. Of the DC Section cash balances, £6,865,784 was allocated to members (2024: £3,719,976).

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

26. CURRENT LIABILITIES

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Annuity income received in advance	1,780	-	1,780
Unpaid Benefits	464	-	464
Accrued Expenses	575	36	611
	<u>2,819</u>	<u>36</u>	<u>2,855</u>

	Defined Benefit Section 2024 £'000	Defined Contribution Section 2024 £'000	Total 2024 £'000
<i>Annuity income received in advance</i>	<i>1,809</i>	<i>-</i>	<i>1,809</i>
<i>Unpaid Benefits</i>	<i>835</i>	<i>-</i>	<i>835</i>
<i>Accrued Expenses</i>	<i>490</i>	<i>55</i>	<i>545</i>
	<u><i>3,134</i></u>	<u><i>55</i></u>	<u><i>3,189</i></u>

27. RELATED PARTY TRANSACTIONS

Employer and other related parties

During the year the company has recharged costs of £152,780 (2024: £197,708) to the Plan representing a charge for administration services supplied by the company and carried out on behalf of the Trustee.

During the year contributions of £16,904 (2024: £16,904) were received from the company in respect of remuneration made to pensioner Trustee Directors.

Key management personnel of the Plan

Some Directors of the Trustee Company are members of the Plan and receive benefits in accordance with the Plan's rules on the same basis as other members. As at 31 December 2025, 9 Trustee Directors were active members and 2 Directors were pensioner members. Comparative figures for Directors as at 31 December 2024 were 9 active members and 2 pensioner members.

Other fees and expenses of £3,450 (2024: £5,858) were paid to Trustee Directors.

28. TAXATION

The Plan 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.

CUMMINS UK PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

29. TRANSFERS BETWEEN SECTIONS

During the year, following a Trustee decision, DC assets that were not designated or allocated to members were utilised in settling administrative expenses for the DC Section of the Plan. In addition, some DB Section assets were transferred to the DC Section in order to settle other DC Section expenses, and also included are items received into or paid from the DB bank account that related to the DC Section.

	Defined Benefit Section 2025 £'000	Defined Contribution Section 2025 £'000	Total 2025 £'000
Transfer between sections	<u>(244)</u>	<u>244</u>	<u>-</u>
	<i>Defined Benefit Section 2024 £'000</i>	<i>Defined Contribution Section 2024 £'000</i>	<i>Total 2024 £'000</i>
<i>Transfer between sections</i>	<u><i>(536)</i></u>	<u><i>536</i></u>	<u><i>-</i></u>

30. CAPITAL COMMITMENTS

The Plan sold down a majority of its private market holdings through a secondary market transaction in 2024.

Fund	2025 £'000	2024 £'000
Axiom Asia II	743	799
Cabot Square V	142	435
CDH Growth VGC Fund II	290	3,142
CDH Growth Fund III	197	321
Nuveen TIAA-CREF GAF II	520	686
SC Capital Partners RECAP IV	751	856
Total undrawn commitment*	<u>2,643</u>	<u>6,239</u>

**Due to lagged reporting by the Private Market managers, the undrawn capital commitment has been provided as at 30 September 2025 or based on the most recent available capital call notices prior to 31 December 2025.*

31. SUBSEQUENT EVENT

There were no subsequent events after the year end.

CUMMINS UK PENSION PLAN ACTUARIAL CERTIFICATE

Certificate of Schedule of Contributions

1. Adequacy of Rates of Contributions

I hereby 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 1 January 2024, to continue to be met for the period for which the schedule is to be in force.

2. Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated October 2024.

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 Plan's liabilities by the purchase of annuities, if the Plan were wound up.

Signature	<i>Andrew Mandley</i>
Name	Andrew Mandley
Date of signing	1 November 2024
Address	Towers Watson Limited, a WTW Company The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT
Qualification	Fellow of the Institute and Faculty of Actuaries

CUMMINS UK PENSION PLAN

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES (REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR) REGULATIONS 1996 TO THE TRUSTEE OF CUMMINS UK PENSION PLAN FOR THE YEAR ENDED 31 DECEMBER 2025

Statement about contributions

Opinion

In our opinion, the contributions payable to the Plan by the employer under the Schedule of Contributions for the Plan year ended 31 December 2025 as reported in Cummins UK Pension Plan's summary of contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the Scheme Actuary on 1 November 2024.

We have examined Cummins UK Pension Plan's summary of contributions for the Plan year ended 31 December 2025 which is set out on the following page.

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 Plan under the schedule of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustee in respect of contributions

As explained more fully in the Statement of Trustee's Responsibilities, the Plan's 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 Plan 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 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
Leeds

Date:

CUMMINS UK PENSION PLAN
SUMMARY OF CONTRIBUTIONS PAYABLE
FOR THE YEAR ENDED 31 DECEMBER 2025

During the year ended 31 December 2025 the contributions payable to the Plan by the Employer under the Schedule of Contributions were as follows:

Contributions payable under the Schedule of Contributions in respect of the Plan year	<u>2025</u> <u>£'000</u>
Contributions payable under the Schedule of Contributions	
<i>Employers</i>	
Normal – Salary Sacrifice – Defined Benefit	11,552
Normal – Defined Contribution	17,139
Normal – Salary Sacrifice – Defined Contribution	12,885
<i>Employees</i>	
Normal – Defined Benefit	<u>22</u>
Total contributions payable under the Schedules (as reported on by the Plan Auditors)	41,598
In addition, further contributions were payable as follows:	
Other Employer contributions	3,290
Employer AVCs – salary sacrifice	<u>9,058</u>
Total contributions included in the financial statements (note 5)	<u>53,946</u>

Signed on behalf of the Trustee:

Trustee Director

Date:

Trustee Director

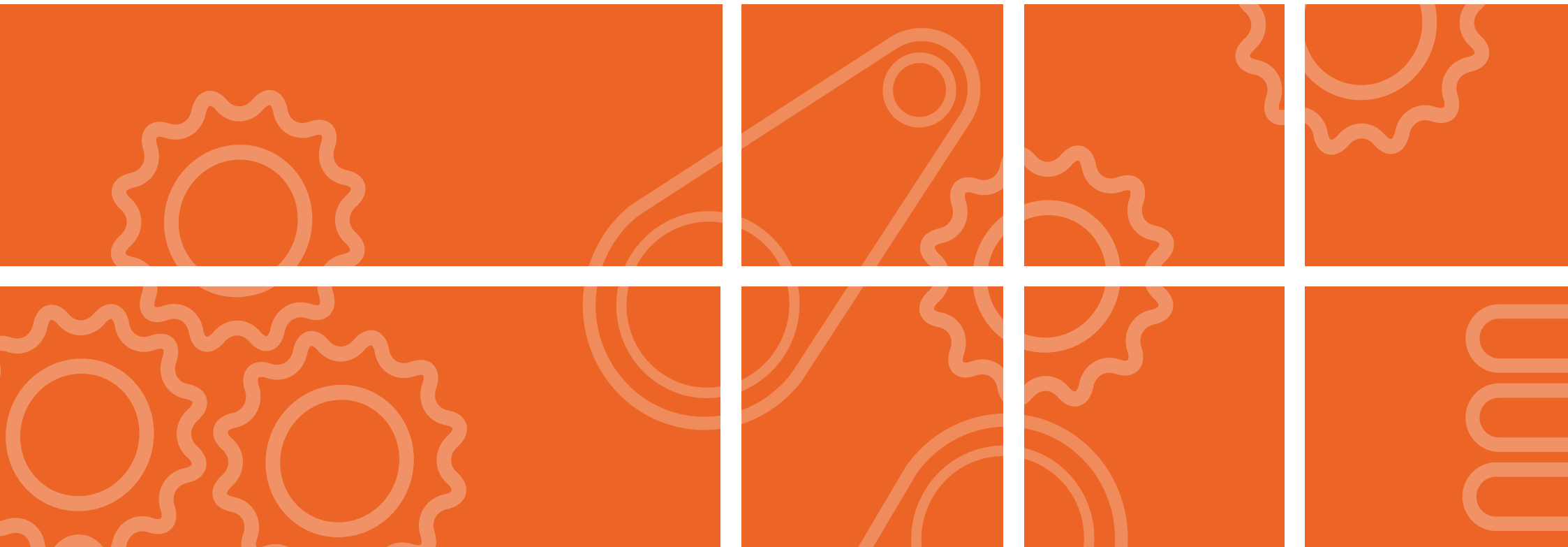
Date:

Appendix Divider
referenced in contents



Chair's governance statement

1 January 2025 to 31 December 2025



Chair's DC Governance Statement, covering 1 January 2025 to 31 December 2025

1. Introduction and members' summary

The **Cummins UK Pension Plan** (the "Plan") is an occupational pension scheme providing defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses their investments or is invested in a default investment option and bears the investment risk). Some members also have legacy Additional Voluntary Contributions ("AVCs") in the Plan, linked to the Plan's defined benefit ("DB") Section.

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee Directors of the Plan, are required to produce a yearly statement (the "Statement"), signed by the Chair of Trustee, covering:

- the design and oversight of the default investment options (i.e. where contributions are invested for members that do not wish to choose their own investments);
- processing of core financial transactions (i.e. administration of the Plan, such as investment of contributions);
- the charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Plan is assessed; and
- Trustee knowledge and understanding.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the defaults and other investment options remain suitable for the membership. During the year, the Trustee implemented a number of changes

to the default lifestyle, increasing the equity allocation, shortening the de-risking period and introducing two new underlying funds in the Continued Growth Lifestyle. In addition, the alternative default lifestyles were closed and removed due to low member take-up.

- The administrator has processed core financial transactions promptly and accurately to an acceptable level during the Plan year, and we remain comfortable with the administrator's performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns. Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Plan and represent value for the benefits members obtain.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Default arrangements

The Plan is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

We have made available a range of investment options for members. Members who join the DC Section of the Plan and who do not choose an investment option are placed into the Lifestyle: Continued Growth, (the "Default"). We recognise that most members do not make active investment decisions and instead invest in the Default. After taking advice, we decided to make the Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

Furthermore, the Cash Fund is an additional default fund, created when members' funds were compulsorily mapped into the fund (i.e., moved without member consent) when members have been unwilling or unable to make a choice about where to invest their contributions and/or savings due to fund closures.

Both defaults must adhere to the legal requirements that apply to default arrangements.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

Details of the objectives and our policies regarding the default arrangements are set out in a document called the 'Statement of Investment Principles' (the "SIP"). The Plan's SIP covering the default arrangements is attached to this Statement as an Appendix.

The default arrangements were not reviewed during the period covered by this Statement; the last formal triennial review was discussed with the Investment Sub-Committee on 8 March 2023 and 28 April 2023 and was completed and presented to the Trustee on 6 June 2023. At this time, the performance and strategy of the default arrangements were reviewed to check whether investment returns (after deduction of charges and costs) have been consistent with the aims and objectives of the default arrangements as stated in the SIP, and to check that it continues to be suitable and appropriate given the Plan's risk profiles and membership. The review concluded the Plan's default lifestyle strategy is expected to perform well compared to a master trust peer group, based on forward looking modelling. However, the analysis highlighted the low level of risk of the at-retirement allocation compared to the broader market. The review also concluded that the Cash Fund remains an appropriate low-risk default which has performed in line with its objective.

The review in 2023 considered the demographics of the Plan's membership. Based on the analysis of the memberships for the DC and AVC sections, it was concluded that the target outcomes remained appropriate.

During the previous Plan year, the Trustee continued to review the lifestyle strategies, considering the underlying funds within the lifestyles and the structure of the final at-retirement allocation of the Lifestyle: Continued Growth, to better support members approaching retirement. As a result, the Trustee implemented the following changes in June 2025, during the Plan year:

- Shortened the de-risking period of the Continued Growth lifestyle strategy;
- Introduced a new blended fund for the retirement phase allocation, the Prepare Fund, as well as renamed the Accelerated Growth and Moderate Growth Funds to the Grow and Strengthen Funds (both used within the Default);
- Added the Nordea Diversified Return Fund into the Strengthen and Prepare Funds for use alongside the L&G Diversified Fund;
- Altered the underlying funds of the at retirement allocation to include the M&G Total Return Credit Investment Fund and removed the L&G Cash Fund; and

- Closed the other two default lifestyle strategies, the Annuity Protection and Cash Focused Lifestyles, given the low take-up of these options and the objective of offering a simpler range of choices for members, and transferred all members into the Continued Growth Lifestyle, if they did not make an alternative choice. The Annuity Protection Lifestyle was previously deemed to be a default as this was a previous investment option and the Cash Focused Lifestyle was the default option for members of the DB Section with legacy AVCs.

In addition, the Trustee launched the Shariah Lifestyle to allow members to invest in a lifestyle strategy which aligns with their religious beliefs.

Over the Plan year, the Trustee also decided to implement 50% currency hedging within the Grow Fund to provide consistency across the Plan's equity exposure, given the implementation of 50% currency hedged equity exposure in the DB Section and reduce the high concentration risk of US Dollar exposure in global equities.

Furthermore, the Ethical Global Equity Fund (a self-select fund option) has been renamed the L&G FTSE4Good Developed Equity Index Fund, to match the name of the underlying fund.

We regularly monitor the performance of the default arrangements and will formally review the strategy (aims, objectives and SIP policies) at least every three years. The next review is intended to begin in May 2026 or immediately following any significant change in investment policy or the Plan member profile and we will include details in next year's Statement.

In addition to triennial strategy reviews, we also review the performance of the default arrangements against their objectives on a quarterly basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Plan year concluded that the default arrangements were performing broadly as expected and consistently with the aims and objectives as stated in the SIP.

Asset allocation breakdown¹

We are required to calculate the percentage of the Plan assets within the default arrangements allocated to each of the following asset classes. In line with DWP's guidance we have also shown this asset allocation for different ages as at the Plan year end. Please note the two alternative lifestyles, the Annuity Focused and Cash Focused Lifestyles were removed from the Plan in June 2025 and therefore have not been included.

Lifestyle: Continued Growth

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	-	-	-	10.2
Corporate bonds (UK and overseas)	-	-	-	34.2
UK government bonds	-	-	-	0.6
Overseas government bonds	-	-	-	7.7
Listed equities ²	100.0	100.0	100.0	38.7
Private equity	-	-	-	0.1
Property (direct)	-	-	-	0.5
Private debt	-	-	-	0.2
Other	-	-	-	7.8

Cash Fund

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash	100.0	100.0	100.0	100.0

¹Allocations may not sum to 100% due to rounding.

²The listed equities allocation includes shares in listed infrastructure, Global Real Estate Investment Trusts, private equity companies and timberland companies.

3. Requirements for processing core financial transactions

The processing of core financial transactions for the DC Section of the Plan (including AVCs) is carried out by the administrator, Isio (formally known as Premier Pensions) and for the legacy AVCs, linked to the Plan's DB Section, is carried out by Aviva and Prudential.

Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Plan, transfers of assets between different investments within the Plan, and payments to members/beneficiaries.

The Plan has a Service Level Agreement ("SLA") in place with Isio which covers the accuracy and timeliness of all core financial transactions. The SLA covers, but is not limited to, the following:

- Maintenance of member records;
- Receiving, validating, processing and investing contributions;
- Calculating transfer values and passing all relevant information to the receiving arrangement in the process of transfers of the Plan; and
- The provision of scheme literature and information.

We recognise that delay and error can cause significant issues for members. We have received assurance from Isio, through their AAF (Audit and Assurance Faculty) report (the UK standard for independent assurance reports that verify the effectiveness of controls at service organisations managing pension funds and other services), that there are adequate internal controls to support prompt and accurate processing of core financial transactions.

To help us monitor whether service levels are being met, we receive quarterly reports about Isio's performance and compliance with the SLA. Any issues identified as part of our review processes would be raised with the administrators immediately, and steps would be taken to resolve the issues. These quarterly reports identified two errors during the Plan year. Each error has been discussed with and rectified by Isio. Other than these errors, we are satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA, with 95.3% of all cases processed and completed within the SLA;
- there have been no material administration issues in relation to processing core financial transactions; and

- core financial transactions have been processed promptly and accurately to an acceptable level during the Plan year.

There is not an SLA agreement in place with Prudential relating to the AVCs and Aviva confirmed it cannot share SLA details but assured us that it operates under SLAs and measures performance accordingly. Prudential confirmed that there have been no administration issues during the Plan year that the Trustee should be made aware of. Aviva did not disclose any information, stating that they are not required to send audit information where it is a single member scheme.

4. Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (“TER”). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges are shown as a per annum (“pa”) figure and exclude any administration charges, since these are not met by members with the exception of the legacy AVCs with Aviva and Prudential, as the administration charges are met by the members for these.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Plan’s fund managers buy and sell assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds. The TER and transaction costs are the only costs borne by members.

The charges and transaction costs have been supplied by Legal & General who is the platform provider for the Plan’s DC Section (including AVCs), and Aviva and Prudential in respect of the AVCs. When preparing this section of the Statement we have taken account of the relevant statutory guidance. Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations we have used zero where a transaction cost is negative to give a more realistic projection (i.e. we would not expect transaction costs to be negative over the long term).

Default arrangements

The Default arrangement for the DC Section of the Plan is the Lifestyle: Continued Growth. The Default has been set up as a lifestyle approach, which means that members’ assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which funds they are invested. This is not the case for the Cash Fund. The two alternative defaults, the Annuity Focused and Cash Focused Lifestyles, were removed from the Plan in June 2025 and therefore, projections have not been included.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following tables.

Default (Lifestyle: Continued Growth) charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.12	0.02
15 years to retirement	0.12	0.02
10 years to retirement	0.12	0.02
5 years to retirement	0.29	0.09
At retirement	0.41	0.04

Lifestyle: Cash Focused charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.12	0.02
15 years to retirement	0.21	0.06
10 years to retirement	0.29	0.09
5 years to retirement	0.29	0.09
At retirement	0.17	0.13

Lifestyle: Annuity Protection charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
20 or more years to retirement	0.12	0.02
15 years to retirement	0.21	0.06
10 years to retirement	0.29	0.09
5 years to retirement	0.23	0.05
At retirement	0.16	0.05

Cash Fund charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
All periods to retirement	0.13	0.14

The default arrangement has performance-based fees associated with it, which ranges depending on where a member is within the lifestyle. The performance-based fees incurred during the Plan year are in relation to the Strengthen and Prepare funds used in the default arrangement, due to their allocation to the Legal & General Diversified Fund which in turn had an allocation to the Legal & General Private Markets Access Fund, which includes performance-based fees. On a look-through basis, the performance fees incurred by members are negligible, at less than 0.01%.

Self-select and AVC options

In addition to the Default arrangements, members of the Plan's DC Section also have the option to invest in several other self-select funds. The level of charges for each self-select fund (including those used in the Default) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the Default are shown in **bold**.

Self-select fund charges and transaction costs (% per annum)

Fund name	TER	Transaction costs
Grow fund	0.12	0.02
Strengthen fund	0.29	0.09
Prepare fund^{1,4}	0.41	0.04
Cash fund	0.13	0.14
AAA-AA-A corporate bond all-stocks index fund	0.15	0.00
Shariah equity fund ²	0.20	-0.06
Annuity focused fund	0.14	0.00
FTSE4Good developed equity fund ³	0.30	0.01
Property fund	0.75	0.03
UK equity fund	0.10	0.00
World emerging markets equity fund	0.34	0.01
World equity fund (hedged)	0.15	0.06
World equity fund (unhedged)	0.13	0.01
Shariah multi-asset fund ^{1,4}	0.32	0.00
Shariah bond fund ^{1,4}	0.32	0.01

¹These funds were added to the Plan in June 2025.

²Previously named the Amanah fund.

³Previously named the Ethical Global Equity fund.

⁴ These funds are not available for members to self-select but are part of the lifestyle strategies.

Most AVCs are now invested in the same funds available to members of the Plan's DC Section. The exceptions to this are set out in the next table. For those funds used in the Plan's DC Section and which are provided as AVC options have the same TER and transaction costs, unless otherwise specified.

AVC fund charges and transaction costs (% per annum)

Fund name	TER	Transaction costs
Aviva Pension With-Profit (NU)	0.875	N/A ¹
Prudential With-Profits Cash Accumulation Fund	N/A ²	-0.05 ³

¹ Aviva did not provide the transaction costs for this fund, stating that they are not required to send audit information where it is a single member scheme.

² Prudential does not disclose the TER for this fund.

³ This is the transaction cost for the period 01/07/2024-30/06/2025. Prudential were unable to provide the transaction cost for the Plan year.

Illustration of charges and transaction costs

Projected pension pot in today's money

Years invested	Default option		Cash Fund		UK Equity Index Fund		Managed Property Fund		With Profits Fund	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£12,400	£12,400	£12,100	£12,000	£12,400	£12,400	£12,200	£12,200	£12,300	£12,200
3	£23,300	£23,200	£21,500	£21,400	£23,300	£23,200	£22,400	£22,000	£22,700	£22,300
5	£34,900	£34,700	£30,800	£30,600	£34,900	£34,700	£32,800	£32,000	£33,500	£32,600
10	£67,600	£67,000	£53,800	£53,100	£67,600	£67,200	£60,200	£57,700	£62,700	£59,600
15	£106,500	£105,200	£76,100	£74,700	£106,500	£105,500	£89,800	£84,400	£95,300	£88,500
20	£152,600	£150,100	£97,900	£95,600	£152,600	£150,900	£121,700	£112,000	£131,600	£119,300
25	£207,500	£203,200	£119,200	£115,700	£207,500	£204,400	£156,000	£140,700	£172,000	£152,200
30	£272,600	£265,700	£140,000	£135,100	£272,600	£267,800	£192,900	£170,600	£217,200	£187,400
35	£330,600	£319,100	£160,200	£153,800	£349,900	£342,600	£232,800	£201,500	£267,500	£225,000
40	£359,500	£341,300	£179,900	£171,900	£441,800	£431,100	£275,700	£233,600	£323,600	£265,100

The table above sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration is the average of those provided by the managers over the Plan year and the previous Plan year subject to a floor of zero (so the illustration does not assume a negative cost over the long term).
- The illustration is shown for the main Default (Continued Growth Lifestyle), the Cash Fund and two funds from the Plan's self-select fund range. The two self-select funds shown in the illustration are:
 - the fund with highest annual member borne costs (TER and transaction costs) – this is the Managed Property fund
 - the fund with lowest annual member borne costs – this is the UK Equity Index Fund.

- We have also shown the illustration for the Aviva Pension With Profits fund, which is the fund with the highest annual member borne cost, but has only one member invested. This illustration assumes that the fund is not subject to transaction costs and is based on the fund's 2025 projected annual return assumptions, as we were unable to obtain the 2026 transaction costs and projected annual return assumptions from Aviva.

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long-term annual inflation assumption used is 2.5%.
- Annual salary growth is assumed to be 2.5%. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.
- The starting pot size used is £7,300. This is the approximate average (median) pot size for active (contributing) members aged 28 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest Plan member has until they reach the Plan's Normal Pension Age.
- The starting salary is assumed to be £30,000. This is the approximate median salary for active members aged 28 or younger.
- Total contributions (employee plus employer) are assumed to be 16.0% of salary per year.
- The projected annual returns used are as follows:
 - Lifestyle: Continued Growth: 3.5% above inflation for the initial years, gradually reducing to a return of 0.5% below inflation at the ending point of the lifestyle.
 - Cash Fund: 0.5% below inflation.
 - Managed Property Fund: 1.5% above inflation.
 - UK Equity Index Fund: 3.5% above inflation.
 - With Profits Fund: 2.2% above inflation.
- No allowance for active management outperformance has been made.

5. Investment returns

This section shows the annual return, after the deduction of member borne charges, for all investment options in which member assets were invested during the Plan year. We have had regard to the statutory guidance in preparing this Section.

The With-Profits fund returns stated are that of the underlying investments, which are the only figures that can be quoted. With Profits Funds are designed to smooth the returns members receive over their investment term and underlying investment returns are not the only factor determining the return members receive.

For arrangements where returns vary with age, such as for the Defaults (including those that were removed during the Plan year), returns are shown over various periods for a member aged 25, 45 and 55 at the start of the period the returns are shown over.

Lifestyle: Continued Growth (Default) net returns over periods to Plan year end

Age of member at the start of the period	1 year (%)	5 years (% pa)
25	15.5	12.4
45	15.5	12.4
55	15.5	7.0

Lifestyle: Cash Focused net returns over periods to 30 June 2025*

Age of member at the start of the period	6 months (%)	4.5 years (% pa)
25	1.8	10.7
45	1.8	10.6
55	2.5	4.3

Lifestyle: Annuity Protection net returns over periods to 30 June 2025*

Age of member at the start of the period	6 months (%)	4.5 years (% pa)
25	1.8	10.7
45	1.8	10.6
55	2.5	3.8

*We have shown net returns for the first six months of 2025 for the Cash Focused and Annuity Protection Lifestyles as the lifestyles were removed from the Plan during Q2 2025.

Self-select fund net returns over periods to Plan year end

Fund name	1 year (%)	5 years (% pa)
Grow fund	15.7	12.4
Strengthen fund	10.8	5.2
Prepare fund¹	-	-
Cash fund	4.3	3.0
AAA-AA-A corporate bond all-stocks index fund	6.2	-1.8
Shariah equity fund	12.7	14.9
Annuity focused fund	5.5	-6.1
FTSE4Good developed equity fund	15.5	13.5
Property fund	5.4	3.4
UK equity fund	23.8	11.6
World emerging markets equity fund	15.8	4.7
World equity fund (hedged)	21.0	13.1
World equity fund (unhedged)	14.9	12.7
Shariah multi-asset fund ²	13.4	-
Shariah bond ²	-0.2	-

¹This fund was added to the Plan in June 2025, therefore performance is not yet available for these time periods.

² Performance of the underlying funds is shown over the one-year period; five-year performance is not available due to the funds' inception.

AVC funds linked to the Plan's DB Section net returns over periods to Plan Year end

Fund name	1 year (%)	5 years (% pa)
Aviva Pension With-Profit (NU) ¹	-	-
Prudential With-Profits Cash Accumulation Fund	2.5	1.7

¹Aviva did not provide the returns for this fund, stating that they are not required to send audit information where it is a single member scheme.

6. Value for members assessment

We are required to assess every year the extent to which member-borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The date of the last review was 30 April 2026. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment.

Our investment advisers have confirmed that the fund charges are competitive for the types of funds available to members. The analysis conducted to reach this conclusion compares the Plan's total annual charges with fees (excluding administration costs) against other DC schemes with assets between £100m and £1bn that LCP advises. During the Plan year, the fund charges for the Shariah Equity fund and the L&G Low Carbon Transition Global Equity fund (one of the underlying equity funds used within the Continued Growth lifestyle) were reduced, resulting in greater value for members invested in these funds.

Transaction costs of the funds in the Plan were also found to be below the average for comparable funds across the same comparable DC schemes.

Performance-based fees within the Strengthen and Prepare Funds were estimated to be less than 0.01% during the Plan year and as such, the Trustee concluded that they were good value, while recognising that they were insignificant.

Our assessment took account of the implementation of the changes to the Default strategy over the Plan year. We believe that the default strategy remains appropriate for its objective of targeting drawdown at retirement. Our investment advisers also confirmed that the self-select fund range provides access to all major asset classes.

In carrying out the assessment, we also consider the other benefits members receive from the Plan, which include:

- The Trustee's oversight and governance, including ensuring the Plan is compliant with relevant legislation, and holding regular meetings to monitor the Plan and address any material issues that may impact members;
- the design of the Default arrangements and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Plan website where members can access fund information online;
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards; and
- the benefits available in-Plan at retirement.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes provided by Isio.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Overall, we believe that members of the Plan are receiving very good value for money for the charges and cost that they incur, for the reasons set out in this section.

We aim to improve value for members in the future by:

- negotiating fund charges where applicable;
- continuing to work with Isio to improve service levels further;

- identify any potential further enhancements to the default strategy as part of the upcoming triennial review in 2026;
- monitor opportunities to develop the Plan's at-retirement offering;
- considering a structured feedback mechanism to assess the effectiveness of member communications; and
- challenging ourselves as Trustee of the Plan to improve how we operate and improve efficiency so we can focus on areas that matter most to members.

7. Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings if they were material. During the period covered by this Statement, the Trustee Directors all completed a minimum of 15 hours of training and received training on a number of topics, including but not limited to:

- Master Trusts;
- Inheritance tax on pensions;
- Systemic risks;
- Corporate governance;
- 2025 Pension Schemes Bill.

Additionally, we receive quarterly updates on topical pension issues from our investment, legal and actuarial advisers.

We are familiar with and have access to copies of the Plan's governing documentation and documentation setting out our policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan, and the SIP is reviewed regularly and as part of making any change to the Plan's investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of

occupational pension schemes (including the Statement of Funding principles) to fulfil our duties.

All the Trustee Directors have completed TPR's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Plan year.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. The Plan has a trustee appointment process and policy in place and a structured induction process for new trustees. This includes a half day training session and mentoring programme for new trustees and sets out the requirements for new trustees, who are also required to complete TPR's Trustee Toolkit within six months.

A skills matrix is used to conduct an evaluation of our knowledge and to help to identify training needs every 12/18 months. The skills matrix was reviewed in February 2025 following changes to the Trustee Board in the prior Plan year, where three new Trustee Directors joined the board. The conclusion was that the Board remains well-balanced and diverse across all competencies, with no gaps in expertise identified.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (e.g. investment consultants, legal advisors), we believe that we are well placed to exercise our functions as Trustee Directors of the Plan properly and effectively.

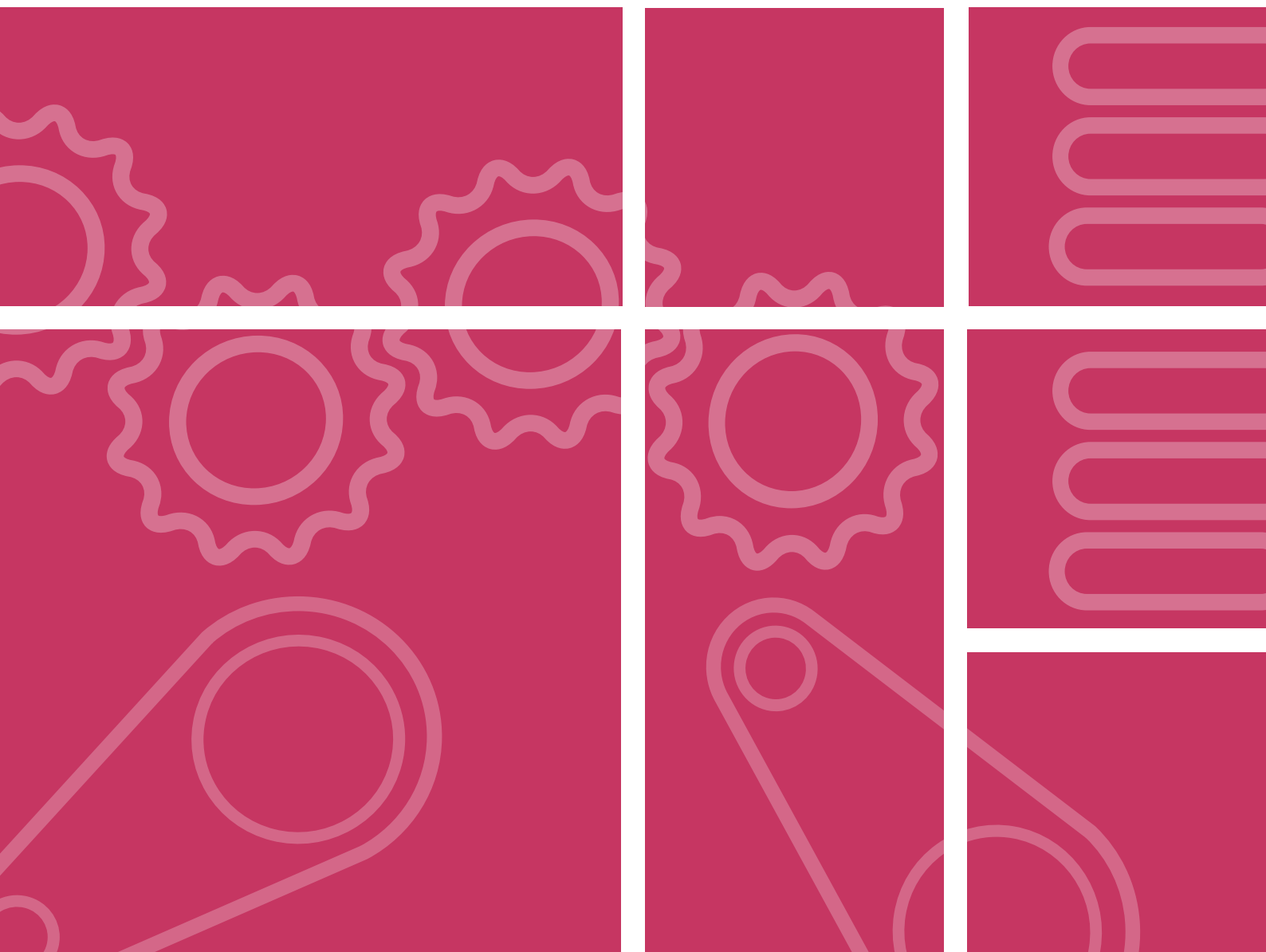
_____ Date: _____

Signed by the Chair of Trustee of the Cummins UK Pension Plan



Implementation statement

1 January 2025 to 31 December 2025



Summary

About this statement

Each year, the Trustee of the Cummins UK Pension Plan publishes an Implementation Statement.

This explains how your pension has been invested, how risks are managed, and how responsible investment issues are considered.

This summary gives you an overview of the 2025 Implementation Statement.

Has the Trustee followed its investment policy?



Yes.

The Trustee confirms that it followed all the investment policies set out in the Plan's Statement of Investment Principles throughout 2025.

These policies cover:

How the Plan's assets are invested

How investment risks are managed

How environmental, social and governance (ESG) factors are considered



Investment approach

Defined Benefit (DB) section

During 2025, the Trustee reviewed the long-term funding and investment approach for the DB section.

It agreed a new long-term funding target, aiming for the Plan to be securely funded in the early 2030s.

It updated the investments to:

- Better protect against changes in interest rates and inflation.
- Increase exposure to climate-aware equity investments.

It simplified investment management by moving key assets to Legal & General Asset Management.

The Plan maintained enough liquid assets to pay pensions when they were due to members.

Defined Contribution (DC) section

Several improvements were made to the default investment option, used by most DC members.

Changes to the default strategy

- The default strategy was redesigned to better reflect how members typically save for retirement.
- Funds were renamed to match the retirement journey:
 - Grow – earlier career
 - Strengthen – mid-career
 - Prepare – approaching retirement
- Investment risk now reduces closer to retirement than before.
- New diversified and credit investments were added.
- Older lifestyle options were closed, and members were moved into the main default unless they chose otherwise.

Additional options

A Shariah-compliant lifestyle option was introduced for members who wish to invest in line with Islamic principles.

All DC funds allow daily switching, giving members flexibility to change their investments.



Investment performance

DB Section

DB investments performed well overall during 2025 and did better than their target benchmark.

DC Section

DC investments performed broadly as expected.

Some DC funds may not always keep with strong stock markets at times because they are designed to limit risk, especially as retirement approaches.

Charges and value for money

- The Trustee regularly reviews investment charges.
- Previous reviews found DC charges to be reasonable compared with similar pension schemes.
- A formal value-for-members review for 2025 is being completed.

Responsible investment and climate change

The Trustee believes that considering ESG issues helps protect members' pensions over the long term.

Key priorities are:

Climate change	Human rights	Corporate transparency
The Trustee aims for the Plan's investments to be net zero by 2050	Ethical and faith-based investment options are available in the DC section	

You can read more about how the Plan considers climate change in the climate change report.

Voting and engagement

When the Plan invests in company shares:

Investment managers vote on the Trustee's behalf	The Trustee does not vote directly but monitors voting and engages with managers	Managers voted on almost all shareholder resolutions during 2025	The most important votes focused on climate action, human rights and good corporate governance
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About this statement

Implementation Statement for the Cummins UK Pension Plan, covering the Plan Year from 1 January 2025 to 31 December 2025 (the “Plan Year”)

The Trustee of the Cummins UK Pension Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles (SIP) during the Plan Year, as well as details of any review of the SIP during the Plan Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-8 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 8 below.

In preparing the Statement, the Trustee has had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement](#), issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

This statement is based on the [SIP dated December 2023](#). This Statement should be read in conjunction with the Plan’s current SIP which can be found here: [Cummins UK Pension Plan – Documents](#).

1. Introduction

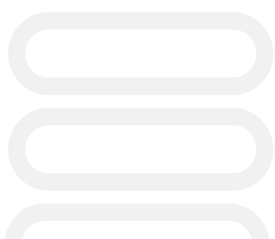
The current SIP was formally reviewed and adopted in December 2023, during which the employer was consulted and confirmed it was comfortable with the changes. The SIP was subsequently reviewed during 2025 and updated to reflect agreed changes to the DB Section’s investment strategy.

At the Scheme year end, the updated SIP was due to go through the consultation process with the employer and is expected to be adopted in early June 2026.

The Trustee has, in its opinion, followed all of the policies in the Plan’s SIP during the Plan Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

Over the year to 31 December 2025, the Trustee reviewed the Plan’s long-term funding target and DB investment strategy. As part of these discussions, a revised investment strategy was agreed for the DB Section, along with a revised long-term objective to reach 103% funding on a self-sufficiency basis towards the first half of the 2030s. This revised target and strategy have been included in the updated SIP that is expected to be adopted in early June 2026. Progress against the long-term journey plan for the DB Section is reviewed as part of the



quarterly performance monitoring reports. The Trustee is also able to view the progress on an ongoing basis using LCP Visualise online (a tool provided by the Plan's investment adviser which show key metrics and information on the Plan including expected return and risks of the investment strategy).

As part of the performance and strategy review of the DC default arrangements in June 2023, the Trustee considered the DC Section membership demographics and the variety of ways that members may draw their benefits in retirement from the Plan. At a DC workday in January 2024, a variety of new ideas and approaches were considered for the DC strategy. During the Plan year, a number of investment changes were agreed and implemented which are detailed in the following section. The Trustee will formally undertake the next strategy review before June 2026.

Based on the outcome of the analysis carried out in June 2023, the Trustee concluded that the default arrangements have been designed to be in the best interests of the majority of the DC Section members and reflect the demographics of those members.

The Trustee also provides members with access to a range of investment options which it believes are suitable for this purpose and enable appropriate diversification. The Trustee has made available alternative lifestyle strategies and a self-select fund range to members covering all major assets classes. This can be found here: www.cumminsukpensions.co.uk/dc/invest.

The Trustee monitors the take up of these funds and it has been low in comparison to the market. The Trustee has reminded members to review their investment holdings in their annual benefit statements in April 2025 and check they are suitable for their risk tolerances and retirement planning.

The Trustee reviews the ongoing charges members pay and this is covered further in Section 4, under fees.

3. Investment strategy

For the DB Section, the Trustee, with the help of its advisers and in consultation with the sponsoring employer, reviewed the strategy on multiple occasions during the Plan year. As part of reviewing the investment strategy, the Trustee works to ensure the DB Section's assets are adequately and appropriately diversified between different asset classes.

At the end of 2024, the ISC, following consultation with the Sponsor, agreed to move from holding unleveraged gilts to investing in a leveraged LDI mandate to improve the Plan's interest rate and inflation hedging characteristics. The ISC also considered the introduction of a passive equity allocation within the investment strategy. After engaging with several equity managers to assess their approaches, the ISC agreed to invest in passive climate-tilted equities as part of the updated strategy.

To enhance integration and operational efficiency, it was agreed that the LDI, credit and equity mandates would be managed by the same investment manager. Following a selection process, the Plan's assets were transitioned to Legal & General Asset Management (L&G AM) through 2025. After a period of restructuring the assets, the new investment strategy was fully implemented by late 2025.



The final proceeds of the Plan's disinvestment from its property and secure income allocation were also received during 2025, which was invested in the LDI portfolio. This has helped further strengthen the liquidity profile of the Plan's assets.

As set out in the previous sections, the SIP has been updated to reflect the new investment strategy and is expected to be adopted in early June 2026.

The Trustee undertook a review of the DC Section over the 2024 Plan Year and implemented the following changes over the 2025 Plan Year:

- Moved to a phased approach in the default lifestyle, which involved renaming the Accelerated Growth and Moderate Growth funds to the Grow and Strengthen funds respectively to align the naming with members' retirement journey. In addition, a new blended fund was introduced for the retirement phase allocation, the Prepare Fund, to be consistent with the first two stages of the lifestyle strategy.
- The default lifestyle strategy now de-risks at 10 and 5 years from retirement (previously this was 20 and 10 years from retirement).
- The Nordea Diversified Return Fund was added into the Strengthen and Prepare funds for use alongside the L&G AM Diversified Fund.
- Introduced an allocation to the M&G Total Return Credit Investment Fund to the Prepare Fund and removed the L&G AM Cash Fund.
- Closed and removed the other two lifestyle strategies, ie the Annuity protection lifestyle and Cash lifestyle. Members were given the option to make an alternative choice before the change. If members did not make a choice, their assets were transferred into the main default.
- Launched the Shariah Lifestyle to allow members to invest in a lifestyle which aligns with their religious beliefs.

Over the Plan year, the Trustee also decided to implement a 50% currency hedge within the Grow fund to provide consistency across the Plan's equity exposure, given the implementation of 50% currency hedged exposure in the DB Section. Furthermore, the Ethical Global Equity Fund has been renamed the L&G AM FTSE4Good Developed Equity Index Fund, to match the name of the underlying fund.

As part of these reviews the Trustee made sure the Plan's default arrangement will be adequately and appropriately diversified between different asset classes and that the self-select options will provide a suitably diversified range to choose from. In addition, the funds added to the DC Section are daily dealing to enable members to readily realise and change their investments.

For the DB section, the Trustee monitors the Plan's asset allocation on a quarterly basis, which has been broadly in line with its strategic allocation over the Plan year. As previously noted, the Trustee reviewed and agreed to update the strategic allocation during the Plan year. This has been reflected in the updated SIP, which is expected to be adopted in early June 2026..

The triggers put in place as part of the Plan's monitoring mechanism are monitored daily using LCP Visualise during the year, and none of these triggers were hit. If a trigger were to be hit, LCP would notify the Trustee so that a discussion could take place.



The Trustee reviews the DB Section's net current and future cashflow requirements on a regular basis. The policy is to have access to sufficient liquid assets to meet any outflows while maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

The Trustee maintained sufficient liquidity to meet all cashflow requirement throughout the year and is reviewing the liquidity of the Plan's assets as part of the ongoing investment strategy review.

For the DC Section, it is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustee offered during the Plan Year are daily priced.

The Trustee's administrator is currently unable to provide retirement data to see how members access their benefits. The Trustee will continue to work with the administrator to obtain this data.

4. Investment arrangements

When the Trustee reviewed the DB investment strategy over the year, it considered the investment risks set out in Section 6 of the SIP. The Trustee also considered a range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

During the year, as set out in the previous section, the Trustee appointed L&G AM for the DB Section and transitioned assets from BlackRock to L&G AM to manage leveraged LDI, credit and equity mandates. The Trustee's investment adviser, LCP, provided the Trustee information on the investment process, the investment teams, past performance, and formal written advice.

When the Trustee undertook a performance and strategy review of the DC default arrangements in July 2023, it considered the investment risks set out in Section 6 of this Statement. It also considered a wide range of asset classes for investment, taking into account the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. The Trustee will next review the DC default strategies in May 2026.

The Trustee formally reviewed its investment beliefs during the Plan Year in March 2025. Following discussion of the Trustee board members, the Trustee considered that its investment beliefs remained appropriate.

The Trustee invests for the long term, to provide for the Plan's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship¹ activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Plan's investment adviser, LCP, monitors the investment managers on an ongoing basis and informs the ISC promptly of any developments. The ISC considers whether to inform the Trustee about any significant updates or events it is made aware of, in particular any developments that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification within the funds.

¹ The responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries.

The Trustee monitors the performance of the Plan's investment managers on a quarterly basis, using the quarterly performance monitoring report which shows the performance of each fund. Performance is considered in the context of the manager's benchmark and objectives. The Trustee also monitors its managers' responsible investment capabilities, using scores provided by its investment adviser as part of the standard monitoring reports. The Plan's DB Investment strategy delivered positive returns over the year, outperforming its composite benchmark. This outperformance was mainly driven by equities and the Plan's diversifying strategies. The DC Section's investment managers performed broadly in line with their respective benchmarks over the Plan Year, with the exception of the Strengthen Fund. This fund underperformed relative to its equity-based benchmark which is in line with our expectation during periods of strong equity market performance, given the lower allocation to equities of the Strengthen fund compared with the benchmark.

Fees

The Trustee, through LCP, is in the process of undertaking a value for members' assessment in April 2026 for the Plan Year to 31 December 2025. The previous assessment (April 2025) assessed a range of factors, including the fees payable to managers in respect of the DC Section which were found to be reasonable when compared against schemes with similar sizes mandates.

The Trustee reviews the investment manager fee arrangements for the DB Section of the Plan from time to time. Historically, when this exercise has been carried out the costs have been found to be reasonable when compared to mandates managed for other clients of similar size and composition.

5. Social, environmental and ethical issues

The Trustee published the Plan's third Climate Change report in July 2025 and will publish its fourth report alongside the Trustee Report & Accounts for the year to 31 December 2025.

The Trustee agreed to the following stewardship priorities for the Plan in March 2023:

- Climate change
- Human rights
- Corporate transparency

These priorities were selected based on the results of a Trustee poll and were communicated to the relevant investment managers. The Trustee will review the investment managers' policies and engagement activity related to these priorities periodically.

The Trustee reviewed and agreed to retain these priorities in November 2025.

As part of its advice on the selection and ongoing review of the Plan's investment managers, the Trustee's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement, where possible.

In particular, LCP carried out an in-depth assessment of managers' stewardship approaches (for L&G AM, BlackRock and M&G), including a peer group comparison vs other managers with similar assets under management and investment offerings. As a result, key "asks"



were identified and communicated with the managers to support them in improving their stewardship approach. The Trustee plans to monitor progress against these “asks” regularly, through regular meetings between LCP and its investment managers.

In February and November 2025, the Trustee met with L&G AM, who presented in detail on their corporate governance and stewardship practices. LCP also provided an overview of the corporate governance and stewardship practices of the remaining managers used within the DC section of the Plan.

As referred to in Section 2, the Trustee has set an aspiration for the Plan’s assets to have net zero carbon emissions by no later than 2050 to help mitigate climate risk. It aspires to align the Plan’s assets with net zero greenhouse gas emissions by 2050 through selecting managers, and investing in funds, with credible net zero targets as well as engaging with their appointed managers on their progress against their net zero targets. To assess the credibility of managers’ plans to meet their net zero targets, the Trustee is monitoring their climate-related metrics. The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Plan’s stewardship by monitoring and engaging with managers.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

Within the DC Section, which includes some of the Additional Voluntary Contributions (AVCs), the Trustee recognises that some members may wish for ethical or religious matters to be taken into account in their investments and therefore, as mentioned in the SIP, it has made available the following investment options to members:

- L&G AM FTSE4Good Developed Equity Index Fund;
- Shariah Equity Fund (underlying fund is the HSBC Islamic Global Equity Index); and
- The Shariah lifestyle.

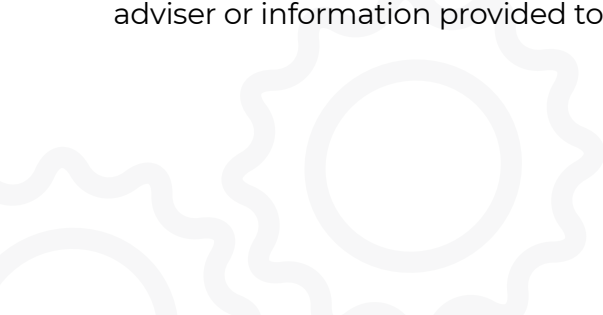
The Shariah Equity Fund and Shariah lifestyle allows members to invest in a fund or strategy where the principles are aligned with Islamic Shariah and ensures the DC Section is suitable for a wider variety of members. The introduction of the Shariah lifestyle alongside the Shariah Equity Fund allows members to access greater diversification into typically lower risk assets, such as bond-like assets and alternatives, in the approach to retirement, which investing in funds compliant with Shariah principles.

6. Other matters

Risk management

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register and this is discussed at quarterly meetings.

DB Section: The Trustee’s policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Plan’s investment adviser or information provided to the Trustee by the Plan’s investment managers. These



include solvency and mismatching risk, sponsor risk, credit risk, equity risk, liquidity risk, political risk, manager risk, currency risk, custodial risk and ESG (including climate) risks. Liquidity risk is also considered in more detail by the Trustee as part of continuing investment strategy considerations.

Looking at the risk of inadequate returns, as part of the quarterly investment monitoring, the Trustee considers the Plan's funding against the return required to achieve the long-term target.

The DB Section's interest rate and inflation hedging levels are typically considered as part of quarterly investment monitoring reports. The Plan's hedging levels were broadly in line with the target levels.

For the DC Section, the Trustee considers the following risks:

- Opportunity or shortfall risk – the risk that members do not take sufficient risk at a stage in their lives when they are most able to, resulting in a smaller-than-expected pension account at retirement.
- Capital risk – members' savings fall in absolute terms.
- Inflation risk – investment return over members' working lives does not keep pace with inflation.
- Inadequate returns risk.

To mitigate these risks, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used throughout the default lifestyle arrangements and are also made available within the self-select options. These funds are expected to produce positive real (ie above inflation) returns over the longer term. As part of the default lifestyle arrangements, the equity allocation is gradually reduced for the typical member in the years approaching retirement. Lower volatility assets are used to minimise the risk that members lose material amounts of their retirement pots with a small number of years to their retirement.

From June 2025, the Annuity Protection strategy is no longer available to members. Members will still be able to invest in the Annuity focused fund as a self-select option if they wish to hedge against annuity price movements. The Annuity focused fund aims to broadly match annuity prices and to address the annuity conversion risk which refers to the risk that relative market movements in the years just prior to retirement may lead to a substantial reduction in the pension and cash lump sum secured.

There is also consideration of the 'lack of diversification' risk which is the risk that the failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the value of the Plan's assets. To mitigate this risk, the Trustee has diversified the Plan's assets between different asset classes and within each asset class.

Members of the Plan also face the risk that pension pots are unduly eroded due to unduly high investment charges. The Trustee works to mitigate this risk by regularly reviewing the costs associated with managing the Plan's assets, as noted in Section 4.

With respect to the members making AVCs, the Trustee makes available the same investment arrangements as the DC Section.



Together, the investment and non-investment risks set out in Section 7 of the SIP give rise generally to funding risk within the DB Section. The Trustee formally reviews the Plan's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis, the Trustee reviews the funding position allowing for membership and other experience. The Trustee also informally monitors the funding position more regularly, on a quarterly basis at Trustee meetings and has the ability to monitor it daily on LCP Visualise.

The following risks are covered earlier in this Statement: diversification risk in Section 3, investment manager risk in Section 4, and liquidity risk in Section 3.

7. Description of voting behaviour during the Plan Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Plan Year.

However, the Trustee takes ownership of the Plan's stewardship by monitoring and engaging with managers as detailed below.

DB Section

In this section we have sought to include voting data in line with the Pensions UK guidance, Pensions UK Vote Reporting template and DWP's guidance, on the Plan's funds that hold equities as follows:

- L&G AM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund (invested from August 2025); and
- L&G AM Low Carbon Transition Global Equity Index Fund - GBP hedged (invested from August 2025).

We have included commentary (provided by the investment managers) on the following funds that do not hold listed equities but have in place a proxy voting policy:

- CDH VGC Fund II LP
- CDH VGC Fund I USD Parallel LP
- WTW Secure Income Fund (final redemption proceeds received in November 2025)

We have not included voting data or commentary on the following funds that the Plan invested in during the period, which do not hold listed equities and where there are either no voting opportunities or where voting information is not available:

- Axiom Asia Private Capital Fund II
- Real Estate Capital Asia Partners IV LP
- CS Capital Partners V LP
- Nuveen Tiaa Cref Global Agriculture II LLC
- CS Iris Low Volatility Plus T Feeder Fund



- BlackRock Buy and Maintain Portfolio (disinvested from July 2025)
- BlackRock Aquila Life Over 25 Years Index Linked Gilts Fund (disinvested over July 2025)
- BlackRock Aquila Life Over 25 Years Fixed Interest Gilts Fund (disinvested over July 2025)
- L&G AM Net Zero Short Dated Global Corporate Bond Fund (invested from August 2025)
- L&G AM Buy and Maintain Credit Portfolio (invested from July 2025)
- L&G AM LDI Portfolio (invested from July 2025)

Commentary provided from managers that have a proxy voting policy in place are set out in Section 8.1.

DC Section

For the DC Section we have included only the funds with equity holdings used in the default strategies given the high proportion of DC Section assets invested in these funds. In addition, we have also included self-select funds which incorporate ESG or ethical factors, recognising that members choosing to invest in these funds may be interested in this information. We have not included any other self-select funds on materiality grounds.

8.1 Description of the voting processes

L&G AM

All decisions are made by L&G AM's Investment Stewardship team in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each team member is assigned a specific sector globally, ensuring that the same individuals responsible for engagement with a company also handle voting. This approach allows L&G AM's stewardship strategy to be seamlessly integrated into both engagement and voting processes, ensuring consistent messaging to companies.

The Investment Stewardship team utilises Institutional Shareholder Services STOXX (ISS), a leading voting research and platform provider. ISS's 'ProxyExchange' electronic voting platform to cast votes on behalf of clients. All voting decisions are made internally by L&G AM, without outsourcing any part of the strategic decision-making process.

L&G AM's use of ISS recommendations serves solely to complement its own research and proprietary ESG assessment tools. Additionally, the Investment Stewardship team consults research reports from Institutional Voting Information Services to supplement ISS reports when making specific voting decisions for UK companies.

To ensure that proxy voting aligns with L&G AM's ESG positions, a custom voting policy with specific instructions has been implemented. These instructions apply across all global markets and establish what L&G AM considers to be minimum best practice standards that all companies should follow, regardless of local regulations or customs.

L&G AM retains the ability to override any vote decisions based on its custom voting policy. This may occur when direct engagement with a company provides additional insights—such as disclosures in an annual report—that warrant a qualitative adjustment to voting decisions. Stringent monitoring controls are in place to ensure that votes are executed effectively and in alignment with L&G AM's policies by its service provider. These controls include regular manual checks of vote submissions and an electronic alert system to flag rejected votes requiring further action.

HSBC

HSBC exercises its voting rights as part of its stewardship responsibilities for client assets. The firm follows Global Voting Guidelines designed to protect investor interests and promote strong corporate governance, with a focus on board independence, performance-linked remuneration, limits on shareholder dilution and opposition to anti-takeover measures.

To support efficient proxy voting, HSBC works with its service provider, ISS, which supplies research, a voting platform and disclosure services. HSBC's Global Voting Guidelines, together with internal research and stewardship priorities, inform detailed voting instructions and custom voting recommendations for each shareholder meeting. Voting is largely executed automatically through ISS in line with these recommendations, although in-house teams may intervene where proposals warrant further review or a different approach.

Where a vote may diverge from the standard recommendation, the matter is considered by the Voting Advisory Group, comprising investment and stewardship specialists. If consensus cannot be reached, the issue may be escalated to the ESG Investment Committee or the relevant Chief Investment Officer.

In 2025, HSBC introduced a new framework for assessing environmental and social shareholder resolutions. Proposals are evaluated based on alignment with stewardship priorities, relevance and materiality, the likelihood of delivering the intended outcome (including potential unintended consequences), actions already taken by the company, and the objectives of the funds invested.

Votes against management are regarded as particularly significant. On climate-related matters, HSBC encourages disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) and may vote against the Chair at companies in energy-intensive sectors where climate risk governance and disclosure remain inadequate. HSBC also maintains procedures to manage potential conflicts of interest, including where funds hold shares in HSBC Holdings plc.

Nordea

Nordea has an aggregated voting strategy, meaning that it strives to vote for as large a part of its total holdings in any given company as possible.

Nordea's Corporate Governance Principles define how it acts in corporate governance-related matters and set the rules for which strategies apply and how the voting of the shares owned by the funds shall take place. A Corporate Governance Committee has been set up to ensure appropriate handling of the corporate-governance matters, and the operational responsibility rests with the Investment Stewardship Team (outside the investment organisation). The



Investment Stewardship team works closely together with the Responsible Investment Team, which oversees its work on responsible investment together with the investment organisation.

Assessment of shareholder ESG proposals is made on a case-by-case basis. This assessment analyses the relevance and adequacy of the requests, i.e. whether approval of the resolution supports better company's practices or shareholder value, whether the company's current stance on the topic is likely to have negative effects in terms of litigation and reputational damage and whether the company has already put appropriate action in place to respond to the issue contained in the resolution.

Generally, its line is to support proposals aiming to protect or enhance long-term shareholder value creation, to improve transparency on material ESG issues and to address material ESG risks that have emerged. On climate proposals that require companies to disclose information about its governance, strategy, risk management and targets related to climate-related risks, it will generally be positive. Its voting power will be used in cases of company's failure to appropriately manage or mitigate ESG risks or when there is a lack of sustainability reporting in the company's public documents.

Commentary from DB asset managers

The following commentary was provided by the Plan's asset managers who do not hold listed equities, but have provided information regarding their proxy voting policy:

CDH – CDH VGC Fund II LP and CDH VGC Fund I USD Parallel LP:

The funds are private equity funds where listed securities are not our primary targets for investments. In each of our investments, we target to negotiate for significant minority protection rights and in most cases we would obtain a board seat to be actively involved in the management of our portfolio company and to ensure proper governance. It is our policy that our funds should exercise their rights to vote in all matters submitted for shareholders' votes. The deal team responsible for the investment shall assess the merits of each proposal based on the team's understanding and expectation on the company's business and strategy and recommend voting accordingly. The legal and compliance team shall review the recommendation to assess if the funds' rights might be adversely affected. If any material deviations from our investment thesis or shareholder's rights are identified, the matter will be elevated to the investment committee for decision. If not, the fund shall vote in accordance with the deal team's recommendation.

WTW – TW Secure Income Fund:

As the SIF invests in private markets, via underlying fund managers who often own a majority share in the assets they hold, there are few formal votes taken. Where there are formal votes typically these are via Investor Advisory Committees (IAC) which tend to be made up of larger investors and represent the interests of all investors in the fund. It is common for WTW to have an observer seat on these committees in order to represent our wider client base. However, in most situations the SIF also takes a voting seat and is an active participant. Over the 12 months to 31 December 2025, we attended 26 IAC (or equivalent) meetings for the SIF's underlying managers.



8.2 Summary of voting behaviour

A summary of voting behaviour over the Plan Year is provided in the table below.

DB & DC Section*

	Fund	Fund 2
Manager name	L&G AM	L&G AM
Fund name	RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	Low Carbon Transition Global Equity Index Fund - GBP hedged
Total size of fund at end of the Plan's Year	£853m	£1,405m
Value of DB/DC assets at end of the Plan Year (£ / % of total assets)	DB: £52.6m (8.6%) DC: £96.1m (17.4%)	DB: £51.7m (8.5%) DC: £192.3m (34.8%)
Number of equity holdings at end of the Plan Year	2,233	2,772
Number of meetings eligible to vote	3,462	4,827
Number of resolutions eligible to vote	38,457	49,232
% of resolutions voted	99.95%	99.94%
Of the resolutions on which voted, % voted with management	78.8%	78.0%
Of the resolutions on which voted, % voted against management	19.8%	21.0%
Of the resolutions on which voted, % abstained from voting	1.4%	1.1%

* Voting information for the Funds above has been provided by L&G for the full year to 31 December 2025. Please note that the DB Section was invested from 1 August 2025.



DC Section

Used in white-labelled fund:	Grow, Strengthen and Prepare	Strengthen and Prepare	FTSE4Good Developed Equity Index Fund	Shariah Equity	Shariah Multi Asset Fund	Strengthen and Prepare
Manager name	L&G AM	L&G AM	L&G AM	HSBC	HSBC	Nordea
Fund name	MSCI ACWI Adaptive Capped ESG Index Fund (Grow - 40% allocation, Strengthen - 8% allocation, Prepare - 4% allocation)	Diversified Fund (Strengthen - 60% allocation, Prepare - 10% allocation)	FTSE4Good Developed Equity Index Fund	Islamic Global Equity Index Fund	Shariah Multi Asset Fund	Diversified Growth Fund (Strengthen - 20% allocation, Prepare - 30% allocation)
Total size of fund at end of the Plan Year	£3,256m	£11,238m	£1,388m	£5,379m	£52m	£1,325m
Value of DC assets at end of the Plan Year (£ / % of DC assets)	£192.3m (34.8%)	£31.0m (5.6%)	£2.0m (0.4%)	£2.0m (0.4%)	<£0.1m (0.1%)	£16.3m (3.0%)
Number of equity holdings at end of the Plan Year	2,022	6,166	1,128	100	2,013	181
Number of meetings eligible to vote	2,932	9,539	1,207	108	1,325	196
Number of resolutions eligible to vote	34,197	100,740	16,886	1,627	14,841	2,652
% of resolutions voted	99.94%	99.88%	99.88%	97.30%	92.81%	99.40%
Of the resolutions on which voted, % voted with management	77.5%	75.8%	81.8%	83.0%	84.0%	83.5%
Of the resolutions on which voted, % voted against management	20.9%	23.0%	17.9%	16.0%	15.0%	14.7%
Of the resolutions on which voted, % abstained from voting	1.7%	1.2%	0.3%	<0.1%	2.0%	1.8%
Of the meetings in which the manager voted, % with at least one vote against management	66.8%	70.2%	71.3%	72.0%	57.0%	71.4%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14.5%	14.7%	14.1%	1.0%	0.0%	2.7%

8.3 Most significant votes

Commentary on the most significant votes over the Plan Year, from the Plan's asset managers who hold listed equities, is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of most significant votes by requesting each manager provide a shortlist of votes, which comprises a minimum of ten most significant votes, and suggested the managers could use Pension UK's criteria for creating this shortlist.

Commentary on the most significant votes over the Plan year, from the Plan's asset managers who hold listed equities, is set out below. We have selected a subset of the votes reported by the managers. The Trustee has interpreted "significant votes" to mean those that:

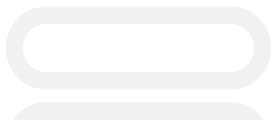
- Align with the trustee's stewardship priorities;
- Might have a material impact on future company performance;
- The investment manager believes to represent a significant escalation in engagement;
- Impact a material fund holding, although this would not be considered the only determinant of significance, rather it is an additional factor;
- Have a high media profile or are seen as being controversial;
- Are shareholder resolutions which received material support;
- The subject of the resolution aligned with the investment manager's engagement priorities or key themes; and
- The plan or cummins Inc. may have a particular interest in.

The Trustee has reported on one of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

² [Pensions-UK-vote-reporting-template-technical-guidance-Oct-2025.pdf](#).



	L&G AM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	L&G AM Low Carbon Transition Global Equity Index Fund - GBP hedged	L&G AM MSCI ACWI Adaptive Capped ESG Index	L&G AM Diversified Fund	Nordea Diversified Growth Fund	L&G AM FTSE4Good Developed Equity Index Fund	HSBC Islamic Global Equity Index	HSBC Shariah Multi Asse Fund
Rationale	A vote in favour is applied as the current threshold necessary to call a special meeting is high and this resolution is seeking to reduce the threshold	A vote in favour is applied as L&G AM expects companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation in line with credible frameworks such as the Accountability Framework Initiative (AFI) would provide shareholders with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. We acknowledge that none of the big four Australian banks has yet set a formal no-deforestation commitment, and NAB has enhanced elements of its risk processes. However, a clear, board-overseen strategy and disclosure is considered beneficial for shareholders.	A vote in favour is applied as L&G AM supports a declassified board as it believes that directors should stand for re-election on an annual basis.	A vote in favour is applied as L&G AM expects companies to be taking sufficient action on the key issue of climate and nature. Disclosure of a strategy to eliminate financed deforestation would provide investors with visibility on governance, targets, client expectations, controls, and escalation pathways for this financially material risk. We acknowledge that none of the big four Australian banks has a formal no-deforestation commitment, and that ANZ plans to strengthen due diligence processes and review exposure to potential deforestation risk, informed by engagement with the Accountability Framework Initiative (AFI) or its delivery partners in 2026, and has set expectations for land and forest sector clients aligned to high standards via certification for soy and palm oil. However, concerns remain regarding the lack of disclosure of specific and quantified processes for identifying and addressing deforestation, including consequences for adverse findings. A clear, board-overseen strategy and disclosure is considered beneficial for shareholders.	Nordea supports the proposal as it believes it improves transparency on material ESG issues such as human rights risk.	A vote in favour is applied as L&G AM believes the current threshold necessary to call a special meeting is high and this resolution is seeking to reduce the threshold, improving shareholder rights.	HSBC believes that the proposal would contribute to the better management of human rights issues and be in the interest of shareholders.	HSBC believes that the proposal would enhance accountability to shareholders.



	L&G AM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	L&G AM Low Carbon Transition Global Equity Index Fund - GBP hedged	L&G AM MSCI ACWI Adaptive Capped ESG Index	L&G AM Diversified Fund	Nordea Diversified Growth Fund	L&G AM FTSE4Good Developed Equity Index Fund	HSBC Islamic Global Equity Index	HSBC Shariah Multi Asse Fund
				However, concerns remain regarding the lack of disclosure of specific and quantified processes for identifying and addressing deforestation, including consequences for adverse findings. A clear, board-overseen strategy and disclosure is considered beneficial for shareholders.				
Was the vote communicated to the company ahead of the vote	L&G AM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	L&G AM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	L&G AM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	L&G AM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	No	L&G AM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is L&G's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	No	No

	L&G AM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund	L&G AM Low Carbon Transition Global Equity Index Fund - GBP hedged	L&G AM MSCI ACWI Adaptive Capped ESG Index	L&G AM Diversified Fund	Nordea Diversified Growth Fund	L&G AM FTSE4Good Developed Equity Index Fund	HSBC Islamic Global Equity Index	HSBC Shariah Multi Asse Fund
Outcome of the vote and next steps	The resolution failed. L&G AM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	The resolution was withdrawn. L&G AM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	The resolution passed. L&G AM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	The resolution failed. L&G AM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	The resolution failed. Nordea will continue to support shareholder proposals on this issue as long as it is needed.	The resolution failed. L&G AM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	The resolution failed. HSBC will vote for a similar proposal should insufficient improvements be made.	The resolution failed. HSBC will vote for a similar proposal should insufficient improvements be made.

