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Avon Rubber Retirement and Death Benefits Plan
Summary Funding Statement at 31 March 2025

This Statement explains the funding that supports benefits in the Avon Rubber Retirement and Death Benefits Plan ("the Plan"). It tells you about the longer-term outlook for the Plan and the financial support the employer provides. There is some information to help you understand this statement and the terminology used on page 3.

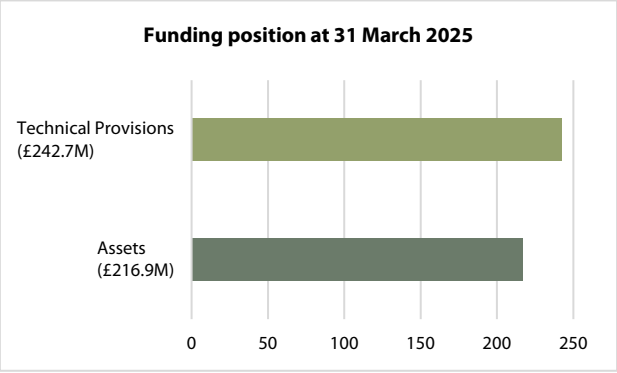
Pension scheme valuations are carried out at least every three years in accordance with legislation, with less formal updates being carried out annually in between valuations.

The purpose of this Statement is to provide the results of the latest formal valuation of the Plan as at 31 March 2025.

How well funded is the Plan?

We previously reported the results of the annual update at 31 March 2024, which showed that the Plan had a shortfall of £20.0 million, which corresponds to a funding level of 92%.

At the formal valuation date of 31 March 2025, the Plan's Actuary found that the Plan had a shortfall of £25.7 million, which corresponds to a funding level of 89%.



	31 March 2024	31 March 2025
Assets	£237.7M	£216.9M
Liabilities	£257.7M	£242.7M
Surplus / (deficit)	(£20.0M)	(£25.7M)
Funding level	92%	89%

Over the period between 31 March 2024 and 31 March 2025 both assets and liabilities fell slightly in value.

The asset value fell as a result of pension payments made to members, and due to movements in the value of the Plan's investments. We are invested in funds that fall when interest rates rise – this is a conscious decision by the Trustee (and many other pension schemes) as when interest rates rise, the amount of money needed today to meet future liabilities falls. This means by investing in assets that behave in this way too, our assets and liabilities are better matched and move in the same direction.

The liabilities did not fall as much as the assets – this was primarily due to some changes made to the way in which the liabilities are calculated, based on new guidance from the Pensions Regulator. As a result of this guidance, we have strengthened the assumptions used to calculate the liabilities and have also included an amount of £9M within the liabilities to cover the future costs of running the Plan. Previously the employer paid separate contributions to cover such costs.

The actuarial valuation was submitted to the Regulator prior to the deadline of 30 June 2026.

The Trustee continues to monitor the funding position and can confirm the position was largely unchanged at the time the valuation was submitted. The Plan's Actuary will be providing us with a further update shortly and we will communicate this to you in our annual Newsletter communication.

The Company's support

The funding target we agree for the Plan meets the requirements of the Pensions Act 2004 and is called the 'technical provisions'. It aims to produce a prudent reserve of money to hold against the Plan's future needs. We have discussed our funding plan with Avon Technologies plc (the Company), and they have accepted the target and agreed to a Recovery Plan to make good the shortfall. The Plan relies on Avon Technologies plc and its financial support to:

- make contributions when there is a funding shortfall; and
- put in more money if the target set for funding the Plan turns out to be too low.

To address the shortfall disclosed in the 31 March 2025 valuation, the Company agreed to pay the following contributions:

- £4.694M between 1 April 2025 and 31 March 2026
- £3.0M as a lump sum before 31 May 2026
- £5.200M between 1 April 2026 and 31 March 2027
- £3.961M between 1 April 2027 and 31 March 2028
- £4.079M between 1 April 2028 and 31 March 2029
- £4.202M between 1 April 2029 and 31 March 2030
- £4.328M between 1 April 2030 and 31 March 2031

We can confirm the payments due so far have been received.

We must also tell you if there have been any payments to Avon Technologies plc out of Plan funds in the last twelve months and we can confirm that there have been no such payments.

The Pensions Regulator can change the Plan, give directions about working out its technical provisions or impose a schedule of contributions. The Pensions Regulator has not exercised these powers.

What if the Plan started to wind up?

Even though funding may temporarily be below target, the Plan will continue to pay benefits in full as long as it continues. As part of the valuation, the Actuary must also look at the Plan's solvency estimate – the position if it started to wind up (come to an end). This does not mean that the Company is thinking of ending the Plan.

The Actuary looked at whether the Plan had enough money at the valuation date to buy insurance policies to provide members' benefits. Insurance companies have to invest in 'low risk' assets, which are likely to give

low returns and policy prices will include administration charges and a profit margin. This means that even if a plan is fully funded on the technical provisions basis, the solvency figure is likely to be less than 100%.

If the Plan had started winding up at 31 March 2025, the Actuary estimates the amount the Plan needed to ensure benefits were paid in full (the full solvency position) was £262.9 million. On this basis the Plan's shortfall was £45.9 million.

The Pension Protection Fund

If the Plan starts to wind up, Avon Technologies plc has to pay whatever the Plan needs to buy the insurance policies for members. If Avon Technologies plc becomes insolvent, the Pension Protection Fund (the PPF) may step in and pay some compensation to members. There are more details on the PPF website at www.ppf.co.uk/.

Understanding the Statement

As a Trustee Board, we are responsible for developing a funding target (called the technical provisions in legislation) for the Plan. We set out our aims, the funding target we believe is suitable for the Plan, and how we aim to achieve this. To work out the funding target, the Plan's Actuary looks at the benefits the Plan is currently paying and estimates how the cost of the benefits might change in the future. The Actuary uses assumptions (which have been agreed by the Trustee and Company) in respect of various factors; for example, how long people will live after they retire and how much the cost of living will rise in future.

The Actuary then looks at the Plan's assets which are represented by the money the Plan has built up to date from Company contributions and investment returns. The Actuary compares the value of those assets at the valuation date with the funding target. If the assets of the Plan are worth more than 100% of the funding target, the Plan has a surplus. If the assets are worth less than 100% of the funding target, the Plan has a shortfall (or deficit).

Terminology

- **Technical provisions** – The funding target for the Plan agreed as part of the actuarial valuation
- **Recovery plan** – A plan for making good any deficit relative to the technical provisions
- **Solvency estimate** – Represents the cost of purchasing annuities to meet the Plan's benefits at the valuation date from an insurance company
- **Statement of Funding Principles** – Document setting out the Trustee's policy for meeting the statutory funding objective
- **Schedule of Contributions** – Document setting out the contributions payable by the Company

Any questions?

If you have any questions about the Plan or your benefits, please contact us. You can also ask to see the Plan's formal documents, including our Statements of Funding Principles and Statement of Investment Principles. We may make a charge to cover the cost of photocopying, postage and packaging if we need to send you copies. The latest audited accounts and actuarial report, as well as the Schedule of Contributions are also available.

Please contact:

- https://pensionuk.aptia-group.com/
- Avon Rubber Retirement & Death Benefits Plan, c/o Aptia UK Limited, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP. Tel: 0800 046 6183

By law, we cannot give you advice about your pension arrangements. If you are thinking about any changes, you may want to obtain independent financial advice.