Aptia

VOLVO CAR UK PENSION SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Scheme Registration Number: 10187561

Contents

Trustees, Principal Employer and Advisers

Trustees

Vidett Trust Corporation Limited - represented by James Double

Trustee Directors

D M Willsher
R J Wood
J L Yates
C M Hayes
E C Bruce- Gardner
A J Davies
J M Double
S I Graham
W Phelan
S M Southall
C L Teagle (resigned 31 March 2026)
L Biles
A R Hatcher (appointed 1 May 2026)

Principal Employer

Volvo Car UK Limited

Scheme Actuary

Nasir Rizvi, F.I.A. (appointed 1 September 2025)
Mercer Limited

Ian Peggs, F.I.A. (resigned 28 August 2025)
Mercer Limited

Independent Auditor

Assure UK

Administrator

Aptia UK Limited

Pension Consultant

Mercer Limited

Investment Managers

Ress Life Investments A/S (resigned 31 January 2025)
Mobius Life (resigned 4 December 2025)
Mercer Global Investment
Insight Investment Funds Management

Investment Custodians

Swedbank AB (resigned 31 March 2025)
State Street Global Advisors
Northern Trust Fiduciary Services (Ireland) Limited

Investment Advisers

Mercer Limited

Trustees, Principal Employer and Advisers

Additional Voluntary Contribution (AVC) Providers

AGEON Scottish Equitable

Clerical Medical Investment Group Limited

Utmost Life and Pensions Limited

Bank

HSBC Bank Plc

Legal Adviser

Squire Patton Boggs (UK) LLP

Contact for further information and complaints about the Scheme

David Kilminster
Vidett Trust Corporation Limited
Forbury Works
37 -43 Blagrave Street
Reading
RG1 1PZ
Email: volvocars@vidett.com

Introduction

The Trustee of the Volvo Car UK Pension Scheme ('the Scheme') is pleased to present its report together with the audited financial statements for the year ended 31 December 2025. The Scheme is a final salary scheme.

The Scheme was established to provide retirement benefits to all eligible employees of Volvo Car UK Limited and its subsidiaries. Benefits are payable in accordance with the Scheme Rules based on employees' length of service and their average salary prior to retirement.

With effect from 1 January 2018 the Scheme closed to future accrual. Past service benefits were impacted in that the salary link was broken and active members' benefits would now revalue in line with statutory revaluation orders.

Constitution

The Scheme was established on 1 January 1993 and is governed by a definitive trust deed dated 7 January 1993, with subsequent amendments.

Management of the Scheme

Trustees

The Company appointed a sole Professional Trustee Company to undertake the Trustee duties with effect from 14 November 2018.

In accordance with the trust deed, the Principal Employer, Volvo Car UK Limited, has the power to appoint and remove the Trustee of the Scheme.

Statement of Trustees's Responsibilities

The Statement of Trustees's Responsibilities is set out on page 13 and forms part of this Trustees's Report.

Governance and risk management

The Trustee has in place a business plan which sets out their objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Scheme efficiently and serves as a useful reference document.

The Trustee has also focused on risk management. A risk register has been put in place which sets out the key risks to which the Scheme is subject along with the controls in place to mitigate these. This register is regularly reviewed and will be updated by the Trustee.

Trustee knowledge and understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with scheme documentation. In March 2024, the Pensions Regulator published their new General Code of Practice to assist trustees on these matters, combining ten existing codes and introducing new obligations not covered by the existing codes, intending to improve scheme governance and administration. The Trustees has agreed a training plan to enable it to meet these requirements.

Principal Employer

The Scheme was established to provide retirement benefits for all eligible employees of the Principal Employer whose registered address is Volvo Car UK Limited, Scandinavia House, Norreys Drive, Maidenhead, Berkshire, SL6 4FL.

Financial development

The financial statements on pages 17 to 28 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund increased from £107,458,469 at 31 December 2024 to £107,925,390 at 31 December 2025.

The increase shown above comprised net withdrawals from dealings with members of £4,341,842 together with net returns on investments of £4,808,763.

Guarantee

With effect from 16 March 2021 the Trustee secured an updated guarantee so that, if the Employer cannot meet future contributions these amounts will be paid by Volvo Car Corporation up to £100m. The Trustee has received legal advice that this guarantee is enforceable in Swedish law.

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 based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustees and the Principal Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 Decemeber 2022. Updated valuations were performed on 31 December 2023 and 31 December 2024. These showed:

	Actuarial Valuation 31 December 2022	Actuarial Update 31 December 2023	Actuarial Update 31 December 2024
The value of Technical Provisions was	£120.3m	£118.7m	£106.1m
The value of assets was	£113.8m	£113.7m	£106.8m
Percentage of Technical Provisions	95%	96%	101%

As required by Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’ (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles).

Method

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

Significant actuarial assumptions

Principal actuarial assumptions for valuation as at 31 December 2022	
Discount interest rate	Full Gilt Yield Curve plus 0.95% p.a. until 31 December 2025, 0.8% p.a. until 31 December 2032 then 0.4% p.a. thereafter.
Future Retail Price inflation	Full Gilt Implied Inflation Curve less an inflation risk premium of 0.1% p.a.
Future Consumer Price inflation.	RPI Inflation curve less 0.8% p.a. pre 2030 and nil post 2030.
Pension increases in payment:	
Pre 6.4.1988 GMP	0.0% p.a
Post 6.4.1988 GMP (CPI max 3% p.a.)	Jarrow Yildrim model and underlying CPI curve.
Pre 1.1.1993 pension in excess of GMP	0.0% p.a
1.1.1993-1.2.2009 pension in excess of GMP (RPI max 5% p.a.)	Jarrow Yildirim model and underlying RPI curve.
Post 1.2.2009 pension (RPI max 2.5% p.a.)	Jarrow Yildirim model and underlying RPI curve.
Mortality:	S3PMA (males) and S3PFA "middle" (females) YoB tables weighted by 86% (males) and 85% (females) to reflect the membership profile of the Scheme, with future improvement in line with CMI_2022 (no weight to 2020 and 2021 data, 25% weight to 2022 data) a longterm improvement rate of 1.5% p.a., skappa 7.5 and initial improvement rate of nil

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Scheme Actuary

With effect from 28 August 2025, Ian Peggs resigned as Scheme Actuary and Nasir Rizvi was subsequently appointed on 1 September 2025. The following statement has been received from Ian Peggs:

Under Regulation 5(4) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 I have considered whether there are any circumstances connected with my resignation from the appointment which significantly affect the interests of current or prospective members and beneficiaries under the Scheme. I can confirm that I know of no such circumstances.

Membership

The membership movements of the Scheme for the year are given below:

	Deferreds	Pensioners	Total
At 1 January 2025	284	388	672
Retirements	(18)	18	-
Deaths	(3)	(6)	(9)
Spouses and dependants	-	6	6
Pensions ceasing	-	(3)	(3)
At 31 December 2025	263	403	666

Pension increases

In January 2024 increases applied to pensions in payment in excess of the guaranteed minimum pension were increased by the September 2023 RPI percentage. This is in accordance with the Scheme Rules for pension accrued on or after 1 January 1993. Pension (in excess of the guaranteed minimum pension) earned before 1 January 1993 is not entitled to an automatic pension increase under the Scheme Rules, in the absence of a special contribution from the Company, the Trustee were unable to make a discretionary increase to this pension. Statutory increases are payable on the GMP element of-pension.

During the year preserved pensions were increased in accordance with statutory requirement.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993 and do not include discretionary benefits with the exception from 1 January 2023 the discretionary benefits for in service deferred members in respect of early retirement i.e. the transfer value assumes members retire unreduced at age 60 (or immediately if over 60) with a temporary pension payable to 65. None of the transfer values paid was less than the amount provided by the Regulations.

Investment management

General

Over the year to 31 December 2025, the Trustee appointed Mercer Limited ("Mercer") as the discretionary investment manager of the Volvo Car UK Pension Scheme's ("the Scheme") assets (excluding AVCs). This transition occurred over Q4 2025. The Scheme's assets are invested in multi-client collective investment schemes and a bespoke pooled fund of one ("Mercer Funds"), domiciled in Ireland and managed by a management company (Mercer Global Investments Management Limited ("MGIM"). The Scheme also holds an externally managed pooled fund holding with Insight Investment. MGIM has appointed Mercer Global Investments Europe Limited ("MGIE") as investment manager of the Mercer Funds. MGIE is responsible for the selection, appointment, removal and monitoring of the underlying sub-investment managers. The sub-investment managers have full discretion to buy and sell investments on behalf of the Scheme subject to constraints Mercer have agreed with the managers.

Mercer, on behalf of the Trustee, will implement a de-risking strategy whereby the level of investment risk inherent in the Scheme's investment arrangements reduces as the Scheme's funding level improves. This de-risking strategy was implemented effective 2 January 2026. The Trustee has agreed the way in which the investment risk should be reduced and has delegated the implementation of the de-risking strategy to Mercer. The Trustee, with the assistance of Mercer, will review the ongoing appropriateness of the de-risking strategy in place approximately every 12 – 18 months.

Investment principles

The Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995, the Occupational Pension Scheme's (Investment) Regulations 2005 and subsequent legislation. During 2020, new legislation was introduced with the aim of improving transparency around pension scheme trustee engagement with asset managements in five key areas. The Trustee updated the SIP, to reflect its policies in these areas, during the year and made a copy available on a publically accessible website effective from June 2024.

Responsible investment and corporate governance

The Trustees believes that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustees has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Scheme's investments.

Similarly, the Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are regulated by appropriate UK (or other relevant) authorities are expected to report on their adherence to the UK Stewardship Code on an annual basis.

Environmental, Social, and Corporate Governance, Stewardship, and Climate Change

The Trustee and Mercer believe in integrating financially material sustainability transition and socio-economic risks into investment decision-making, which can potentially enhance portfolio resilience.

The Trustee has appointed Mercer to act as discretionary investment manager in respect of the Scheme's assets and such assets are invested in a range of Mercer Funds managed by MGIE.

Mercer's Investment Philosophy uses a holistic approach, considering market-wide and systemic risks and incorporating sustainability considerations objectives, governance, rewarded risk and value maximization considerations. Mercer's full investment philosophy is also available here: .

The Trustee has reviewed Mercer's , which sets out the key principles and guidelines used by Mercer to consider and respond to sustainability risks and opportunities in investment process decision-making.

Sub-investment managers appointed to manage the Mercer Funds are expected to assess and reflect sustainability risks and opportunities in security or asset selection and portfolio construction including climate transition considerations, and this forms part of the selection process.

Mercer's approach to managing climate transition risks and opportunities is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Mercer's highlights Mercer's approach in more detail. Disclosure consistent with the TCFD recommendations is also encouraged for appointed managers.

Investment report - continued

In order for the Trustee to oversee, assess and manage climate-related risks and opportunities for the Scheme, Mercer provides reporting to the Trustee at least annually, on integration of sustainability considerations, stewardship monitoring results, relevant and available climate-related metrics and climate transition analysis.

Mercer screens and monitors listed portfolios for high-severity incidents as flagged according to the UN Global Compact ("UNGC") Principles that relate to human rights, labour, environment, and corruption issues, as identified by our appointed external research provider and will prioritise engagement with the managers owning those companies based on an internally developed framework.

Mercer may also elect to participate, as appropriate, in collaborative industry engagement initiatives related to engagement priorities, or other topics that are considered aligned with the best interests of the Scheme.

The Trustee has reviewed its beliefs in 2021 and agreed to align itself with the sustainability policy of Volvo Car Group. This includes the integration of ESG considerations throughout the Trustee's decision-making process.

The Trustee recognises the conflict of interest which may arise in the context of sustainable investment. Mercer and MGIE make investment decisions with the aim of improving long-term risk adjusted returns and assesses whether selected sub-investment managers have policies and procedures that manage conflicts in relation to stewardship. Sub-investment managers are required to report on any conflicts of interest and demonstrate that they have adhered to their conflicts of interest policies and reported any breaches.

Member views

Whilst members' views in respect of non-financial matters are not explicitly taken into account in the selection, retention and realisation of investments, the Trustee welcomes views from members. This position is reviewed periodically.

Investment Restrictions

The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate the aforementioned ESG issues into the investment decision making process.

Financially material considerations are considered by the Trustee, including (but is not limited to) ESG considerations (including but not limited to climate change). ESG considerations are however taken into account in the selection, retention and realisation of investments in the following ways:

- The Trustee has reviewed its beliefs in 2021 and agreed to align itself with the sustainability policy of Volvo Car Group. This includes the integration of ESG considerations throughout the Trustee's decision-making process as well as some exclusions as listed below:
    - Companies that contribute to a serious and systematic breach international law and human rights.
    - Companies that produce and sell controversial weapons, hereunder nuclear, land mines, cluster munitions and chemical weapons.
    - Companies involved in serious climate degradation.
    - Companies involved in systematic corruption and crime.
- The Trustee considers the ESG disclosures published by Mercer when monitoring the Scheme's investment manager's capabilities.
- In meetings with the Scheme's investment manager, ESG issues are discussed and the manager is expected to discuss voting and engagement activities carried out on behalf of the Trustee for mandates where this is relevant.
- The Trustee has exposure to specific sustainability themed investments within the Mercer Multi Asset Solution Fund.

Trustee's Policies With Respect To Arrangements With, and Evaluation Of The Performance and Remuneration of, Asset Managers and Portfolio Turnover Costs

When engaging Mercer as discretionary investment manager to implement the Trustee's investment strategy, as outlined in the SIP, the Trustee is concerned that, as appropriate and to the extent applicable, Mercer is incentivised to align its strategy and decisions with the profile and duration of the liabilities of the Scheme, in particular, long-term liabilities.

As Mercer manages the Scheme's assets by way of investment in Mercer Funds, which include multi-client collective investment schemes, the Trustee accepts that they do not have the ability to determine the risk profile and return targets of specific Mercer Funds but the Trustee expects Mercer to manage the assets in a manner that is consistent with the Trustee's overall investment strategy as outlined in the SIP. The Trustee has taken steps to satisfy themselves that Mercer has the appropriate knowledge and experience to do so and keeps Mercer's performance under ongoing review.

Should Mercer fail to align its investment strategies and decisions with the Trustee's policies, it is open to the Trustee to disinvest some or all of the assets invested managed by Mercer, to seek to renegotiate commercial terms or to terminate Mercer's appointment.

To evaluate performance, the Trustee receives, and considers, investment performance reports produced on a quarterly basis, which presents performance information and commentary in respect of the Scheme's funding level and the Mercer Funds in which the Trustee is invested. Such reports have information covering fund performance for the previous three months, one-year, three years and since inception. The Trustee reviews the absolute performance and relative performance against a portfolio's and underlyings sub-investment manager's benchmark (over the relevant time period) on a net of fees basis. The Trustee's focus is on the medium to long-term financial and non-financial performance of Mercer and the Mercer Funds.

Neither Mercer or MGIE make investment decisions based on their assessment about the performance of an issuer of debt or equity. Instead, assessments of the medium to long-term financial and non-financial performance of an issuer are made by the sub-investment managers appointed by MGIE to manage assets within the Mercer Funds. Those managers are in a position to engage directly with such issuers in order to improve their performance in the medium to long term. The Trustee is, however, able to consider Mercer's and

MGIE's assessment of how each underlying sub-investment manager embeds ESG into their investment process and how the manager's responsible investment philosophy aligns with the Trustee's own responsible investment policy. This includes the sub-investment managers' policies on voting and engagement.

Section 9 of the SIP provides further details of the steps taken, and information available, to review the decisions made by sub-investment managers, including voting history and the engagement activities of managers to identify decisions that appear out of line with a Mercer Fund's investment objectives or the objectives/policies of the Scheme.

The sub-investment managers are incentivised as they will be aware that their continued appointment by MGIE will be based on their success in meeting MGIE's expectations. If MGIE is dissatisfied then it will, where appropriate, seek to replace the manager.

The Trustee is a long-term investor and is not looking to change their investment arrangements on an unduly frequent basis. However, the Trustee does keep those arrangements under review, including the continued engagement of Mercer using, among other things, the reporting described above.

The Trustee monitors, and evaluates, the fees it pays for asset management services on an ongoing basis taking into account the progress made in achieving its investment strategy objectives as outlined in section 5 of SIP. Mercer's, and MGIE's, fees are based on a percentage of the value of the Scheme's assets under management which covers the design and review of the de-risking strategy, and investment management of the assets. In addition, the sub-investment managers of the Mercer Funds also charge fees based on a percentage of the value of the assets under management. In some instances, some of the underlying sub-investment managers may also be entitled to charge fees based on their performance.

MGIE reviews the fees payable to sub-investment managers managing assets invested in the Mercer Funds on a regular basis with any negotiated fee savings passed directly to the Scheme. Mercer's, MGIE's, and the sub-investment managers', fees are outlined in a quarterly investment strategy report prepared for the Trustee, excluding performance-related fees and other expenses involved in the Mercer Funds not directly related with the management fee.

Details of all costs and expenses are included in the Mercer Funds' Supplements, the Report & Accounts and within the Scheme's annualised, MiFID II compliant Personalised Cost & Charges statement. The Scheme's Personalised Cost & Charges statement also include details of the transaction costs associated with investment in the Mercer Funds.

The Trustee does not have an explicit targeted portfolio turnover range, given the de-risking mandate, but rebalancing ranges have been designed to avoid unnecessary transaction costs being incurred by unduly frequent rebalancing. Performance is reviewed net of portfolio turnover costs, with the review of portfolio turnover of the underlying investment managers undertaken by MGIE.

Market background

In early 2025, expectations of a continued controlled economic slowdown and further interest rate reductions by developed market central banks positively influenced markets. However, volatility suddenly increased following an announcement by DeepSeek, a Chinese Artificial Intelligence ("AI") company, that it had developed a model rivaling US AI technology at a far lower cost. Volatility intensified further amid growing concerns over President Trump's tariff plans.

On 2 April, following President Trump's "Liberation Day" tariff announcements, equity markets experienced a sharp sell-off, accompanied by significant movements in credit spreads, government bond yields, and exchange rates. However, by the end of April, markets had largely recovered after President Trump announced a 90-day pause in the implementation of reciprocal tariffs for countries that had not yet enacted retaliatory measures, as well as the removal of tariffs on various electronic products.

Despite the market recovery, significant concerns over tariffs and their potential impact on inflation and the growth outlook remained at the end of the second quarter of 2025. Beyond tariff concerns, in Europe, Germany's political landscape under new Chancellor Merz and spending plans under the draft budget for 2025 took centre-stage. Meanwhile, the geopolitical landscape became increasingly uncertain as a result of the Israel-Iran conflict.

In the third quarter of 2025, equity markets continued to rally driven by the resilience of economic growth. In September, US interest rates were reduced by 0.25%p.a. amid tensions between President Donald Trump and members of Federal Reserve, including Chair Jerome Powell.

During the fourth quarter, markets continued to be buoyed by economic resilience and AI-optimism. While some developed market central banks continued to cut rates, any remaining concerns about a sharp economic slowdown were largely dismissed, supported by easing risks related to tariffs and trade. In the US, the Federal Reserve reduced interest rates again in response to a weakening labour market and cooling inflation. In Europe, market sentiment was influenced by political unrest in France and fiscal stimulus measures in Germany, while the European Central Bank kept rates steady as inflation hovered around its 2%p.a. target. In the UK, economic fundamentals supported further rate cuts by the Bank of England, with the Autumn Budget easing fiscal credibility concerns. In Japan, the leadership of President Sanae Takaichi and her fiscal plans stirred some volatility, while the Bank of Japan continued raising interest rates amid favourable fundamentals.

Unless otherwise stated, the below market return figures are in sterling terms over the twelve-month period to 31 December 2025.

Equity Markets

At a global level, developed markets, as measured by the FTSE World Index, returned 15.0%. Emerging market equities, as measured by the FTSE All World Emerging Markets Index, returned 17.8%.

At a regional level, European markets, as measured by the FTSE World Europe ex UK Index, returned 27.9%. At a country level, UK stocks as measured by the FTSE All-Share index returned 24.0%. The FTSE USA Index returned 9.8% while the FTSE Japan Index returned 17.1%.

Bonds

UK government bonds as measured by the FTSE Gilts All Stocks Index returned 5.0% whilst longer-dated issues as measured by the corresponding Over-15-Year Index returned 3.7%. The yield on the FTSE Gilts All Stocks Index remained broady unchanged at 4.80%p.a. whilst the Over-15-Year Index yield rose from 5.0%p.a. to 5.1%p.a.

Index-linked gilts, as measured by the FTSE All Stocks Index-Linked Gilts Index, returned 1.3% whilst returns on longer-dated issues, as measured and the Over-15-Year Index, were broadly flat.

Investment grade corporate debt, as measured by the ICE Bank of America Merrill Lynch Sterling Non-Gilts Index, returned 6.8%. Higher yielding corporate debt, as measured by the JP Morgan ESG Global High Yield BB-B Rated Liquid Corporate Index, returned 4.2%.

Emerging market debt, as measured by the J.P. Morgan EMBI Global Diversified Composite Index, returned 6.2%.

Hedge Funds

Hedge Funds (measured by the HFRI Market Defensive (sterling hedged) index) registered positive estimated returns of 6.1%.

Commodities

The price of Brent crude oil fell by 18.6% from $74.74 per barrel to $60.85 over the one-year period. Over the same period, the price of gold rose 64.7% from $2,625.35 per troy ounce to $4,324.67.

The S&P GSCI Commodity Spot Index returned -7.1%.

Currencies

Sterling appreciated 7.4% against the US dollar, from $1.252 to $1.345. Sterling also strengthened 7.1% against the Japanese yen, from ¥196.827 to ¥210.830. However, sterling depreciated 5.3% against the euro, from €1.210 to €1.145.

Review of Investment Performance

Investment Performance to 31 December 2025

Growth Portfolio	3 Years		1 Year		3 months	
	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (%)	B'mark (%)
Mercer Multi Asset Solution Fund	-	-	-	-	0.3	0.5
Schroders Secured Finance	8.4	4.7	6.4	4.3	1.2	1.0
Insight Secured Finance	8.6	4.7	5.7	4.3	0.8	1.0

Matching Portfolio	3 Years		1 Year		3 months	
	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (%)	B'mark (%)
Tailored Credit 2	-	-	-	-	0.3	0.2
Tailored Credit 0	-	-	-	-	0.6	0.6
Mercer Investment Fund 27	-	-	-	-	- 0.8	- 0.8

Total Portfolio	3 Years		1 Year		3 months	
	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (% p.a.)	B'mark (% p.a.)	Portfolio (%)	B'mark (%)
Total (Net of Fees) [(a)]	1.2	1.9	4.4	4.7	4.0	4.1

Performance provided by State Street Fund Services (Ireland) Limited, Mercer estimates and Refinitiv.
Performance is in £ terms using unswung returns for the underlying Mercer portfolios; gross of Mercer and net of underlying manager fees; gross of hedging fees (where applicable); net of all other expenses including custody and administration costs.
Where the since inception track record is less than one year, performance shown is cumulative and not annualize.
Total returns use official (swung) prices. Where applicable, it includes performance of terminated mandates.
(a) Total returns are net of Mercer and of underlying manager fees; net of hedging fees (where applicable); net of all other expenses including custody and administration costs. Benchmark shown is the change in value of liabilities. Composite fund benchmark is a composite of relevant comparators for the underlying funds. Total Growth and Matching sub-total returns are not shown due to the ongoing transition to Mercer Limited.
For performance monitoring purposes, we have assumed that Total Benchmark allocation drifts in line with actual allocations for the period from 30 June 2022 to 31 March 2025 and 30 September 2025 onwards.
Mercer Multi Asset Solution Fund: Performance shown since inception. Inception date taken as 10 November 2025 for performance measurement purposes.
Mercer Tailored Credit Fund 0, Tailored Credit Fund 2: Performance shown since inception. Inception date taken as 22 October 2025 for performance measurement purposes.
Mercer Bespoke LDI Mandate: Performance shown since inception. Inception date taken as 3 December 2025 for performance measurement purposes.

Asset Allocation

The Scheme's assets allocations are listed in the tables below, which are divided between a "Growth" and a "Matching Portfolio". Please note that as part of the transition to Mercer Limited the existing allocations to the Schroders and Insight Secured Finance Funds were recategorised as Growth allocations from Matching, the start of year positions have also been reclassified for comparability.

Total Portfolio	Actual Asset Allocation				Target as at 31 December 2025 (%)
	Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)	
Total Growth	59.4	50.0	56.1	47.0	46.0
Total Matching	46.5	56.3	43.9	53.0	54.0
Total	**105.9**	**106.2**	**100.0**	**100.0**	**100.0**

Source: Mercer.
Figures may not sum to total due to rounding. Excludes the Trustee Bank Account balance.

Growth Portfolio	Actual Asset Allocation			
	Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)
Schroders Secured Finance	3.8	3.1	6.4	6.1
Mercer Multi Asset Solution Fund	-	40.3	-	80.7
L&G Life GPGE Future World Global Equity Fund	14.8	-	24.9	-
Ninety One Emerging Markets Equity Fund	4.5	-	7.6	-
L&G Life MC Global Listed Private Equity Passive Fund	9.9	-	16.7	-
Ninety One Global Environment Fund	5.2	-	8.8	-
Ress Life Investment A/S	10.9	-	18.3	-
PIMCO US High Yield Bond Fund GBP (Hedged)	3.6	-	6.1	-
Insight Secured Finance Fund	6.7	6.6	11.3	13.2
Total Growth	**59.4**	**50.0**	**100.0**	**100.0**

Source: Mobius Life, Insight Investment and Mercer Limited
Figures may not sum to total due to rounding.

Matching Portfolio	Actual Asset Allocation			
	Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)
L&G Life AF Over 15 Year Gilts Index Fund	3.8	-	8.2	-
Insight LDI and Cash Collateral & Liquidity Funds	35.7	-	76.8	-
BlackRock Sterling Liquidity Fund	0.4	-	0.9	-
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	3.4	-	7.3	-
L&G Life CAAG Buy and Maintain Credit Fund Weekly	3.2	-	6.9	-
Mercer Tailored Credit II	-	8.4	-	14.9
Mercer Tailored Credit 0	-	8.4	-	14.9
Mercer Investment Fund 27	-	39.5	-	70.2
Total Matching	**46.5**	**56.3**	**100.0**	**100.0**

Source: Mobius Life and Mercer Limited
Figures may not sum to total due to rounding. Does not include the value of the Trustee Bank Account
Figures may not sum to total due to rounding.

Custodial Arrangements

The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments.

For the Scheme's pooled fund investments, the Trustee has no direct ownership of the underlying assets of the pooled funds. The safekeeping of the assets within the pooled funds is performed by custodian banks specifically appointed to undertake this function and whose appointment is reviewed at regular intervals by the manager. The current custodians are shown in the table below.

Manager	Custodian
Insight	Northern Trust International Fund Administration Services (Ireland) Limited

Mercer, has been appointed by the Trustee as administrator of trustee bank account of the Plan and are responsible for the safekeeping of these holdings.

Approval

The Trustees's Report on pages 3 to 12, and the Implementation Statement on pages 32 to 36, were approved by the Trustees (Vidett Trust Corporation Limited - represented by James Double) and signed on its behalf by:

....

Date: 23-06-2026 | 12:29:02 PM BST
....

Statement of Trustees'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 Trustees. Pension scheme regulations require, and the Trustees is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme 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 the above responsibilities, the Trustees is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustees is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it 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 Trustees is 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 and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees 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 occur, the Trustees is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Independent auditor's report to the Trustee of the Volvo Car UK Pension Scheme

Opinion

We have audited the financial statements of the Volvo Car UK Pension Scheme (the ‘Scheme') for the year ended 31 December 2025 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Volvo Car UK Pension Scheme financial statements:

• show a true and fair view of the financial transactions of the Scheme 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; 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, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 Scheme'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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme'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 intends to wind up the Scheme, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Capability of the audit in detecting irregularities, including fraud irregularities

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our discussions with the Trustee, we considered the laws and regulations that have a direct impact on the preparation of the financial statements such as Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The engagement team remained alert to non-compliance throughout the audit from planning to completion.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and the Trustee as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of relevant legal correspondence;
- review of Trustee meeting minutes;
- testing the appropriateness of journal entries; and
- the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Assure UK

Assure UK
Chartered Accountants and Statutory Auditor
London

Date: 23-06-2026 | 2:00:07 PM BST

Fund Account

	Note	2025 Total £	2024 Total £
Employer contributions	4	**1,800,000**	1,800,000
Other income	5	**2,947**	29,753
		1,802,947	1,829,753
Benefits paid or payable	6	**(5,904,404)**	(5,271,395)
Payments to and on account of leavers	7	**(187,034)**	(167,592)
Administrative expenses	8	**(53,351)**	(572,927)
		(6,144,789)	(6,011,914)
Net withdrawals from dealings with members		**(4,341,842)**	(4,182,161)
Returns on investments			
Investment income	9	**1,404,391**	2,603,669
Change in market value of investments	10	**3,394,618**	(5,403,838)
Investment management expenses	11	**9,754**	3,870
Net returns on investments		**4,808,763**	(2,796,299)
Net increase/ (decrease) in the fund during the year		**466,921**	(6,978,460)
Net assets at 1 January		**107,458,469**	114,436,929
Net assets at 31 December		**107,925,390**	107,458,469

The notes on pages 19 to 28 form part of these financial statements.

Statement of Net Assets available for benefits

	Note	2025 Total £	2024 Total £
Investment assets			
Pooled investment vehicles	13	**106,247,728**	106,062,451
AVC investments	14	**805,123**	707,808
Total investments	10	**107,052,851**	106,770,259
Current assets	19	**962,684**	771,609
Current liabilities	20	**(90,145)**	(83,399)
Net assets at 31 December		**107,925,390**	107,458,469

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the report on actuarial liabilities on page 4 of the annual report and these financial statements should be read in conjunction with this report.

The notes on pages 19 to 28 form part of these financial statements.

The financial statements on pages 17 to 28 were approved by the Trustees (Vidett Trust Corporation Limited - represented by James Double) and signed on its behalf by:

....

....

Date: 23-06-2026 | 12:29:02 PM BST

1. Identification of the financial statements

The Scheme is established as a trust under English law.

The Scheme was established to provide retirement benefits to certain groups of employees of Volvo Car UK Limited. The address of the Scheme's principal office is Scandinavia House, Norreys Drive, Maidenhead, Berkshire, SL64FL.

The Scheme is a final salary scheme.

2. Basis of preparation

The financial statements 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 102 (FRS 102) - The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (the SORP) (Revised June 2018).

3. Accounting policies

The principal accounting policies are set out below. Unless otherwise stated, they have been applied consistently year on year.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

The Scheme's functional currency and presentational currency is Pounds Sterling (GBP).

Assets and liabilities in foreign currencies are expressed in Sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into Sterling at the rate ruling at the date of the transaction.

Gains and losses arising on translation are accounted for in the change of market value of investments during the year.

3.3 Contributions

Employer deficit funding contributions are accounted for in the period to which they relate, in accordance with the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and Trustees.

3.4 Transfers

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.

3.5 Other income

Income is accounted for in the period in which it falls due on an accruals basis.

3.6 Payments to members

Pensions in payment are accounted for in the period to which they relate.

Other benefits, and any associated tax liabilities, are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustees. If there is no choice, they are accounted for on the date of retirement or leaving.

Where the Trustee is required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, this is shown separately within benefits.

3.7 Administrative and other expenses

Administrative expenses are accounted for in the period in which they fall due on an accruals basis.

Investment management expenses are accounted for in the period in which they fall due on an accruals basis.

3.8 Investment income

Income from pooled investment vehicles is accounted for when declared by the investment manager.

Income from foreign currency holdings is translated into Sterling at the rate applicable on the date of the transaction.

3.9 Change in market value of investments

The changes in investment market values are accounted for in the year 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.

3.10 Valuation of investments

Investments are included at fair value as follows:

The market value of pooled investment vehicles in the current year is based on the bid price operating at the year end, as advised by the investment manager.

The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers.

4. Contributions

	2025 Total £	2024 Total £
Employer contributions:		
Deficit funding	**1,800,000**	1,800,000

In accordance with the Schedule of Contributions certified by the Actuary on 29 September 2023, the Employer shall pay shortfall-correction contributions of £150,000 per month for the period 1 January 2023 to 31 December 2025, after which contributions ceased.

5. Other income

	2025 Total £	2024 Total £
Interest on cash deposits held by the Trustees	**2,947**	29,753

6. Benefits paid or payable

	2025 Total £	2024 Total £
Pensions	**5,163,278**	4,501,178
Commutation of pensions and lump sum retirement benefits	**726,270**	759,117
Lump sum death benefits	**14,856**	11,100
	5,904,404	5,271,395

Included within these figures is £419,320 (2024: £95,156l) relating to GMP equalisation payments as set out in note 22.

7. Payments to and on account of leavers

	2025 Total £	2024 Total £
Individual transfers out to other schemes	**187,034**	167,592

8. Administrative expenses

	2025 Total £	2024 Total £
Pension consultancy fees	**22,320**	350,732
Administration fees	**25,970**	76,893
Trustee fees	**5,018**	107,241
Legal fees	**-**	33,162
Miscellaneous expenses	**40**	40
Scheme levies	**-**	4,242
Bank charges paid	**3**	617
	53,351	572,927

As per the Schedule of Contribution certified on 29 September 2023, The Employer shall meet the cost of administrative and other expenses Incurred by the Trustee, including the PPF levy. Such payments shall either be by direct settlement of the expenses or reimbursement of the Trustee in respect of any expenses that the Trustee have settled.

The Trustee may decide from time to time that particular expenses may be met from the Scheme's assets. In particular, the Trustee has agreed with the Employer that the £800,000 excess contributions received in 2023 should be used to pay administration expenses (up to a total of £800,000) otherwise due from the Employer, from the Scheme. This surplus was depleted in the prior year, hence the drop in admin expenses paid in the current year.

9. Investment income

	2025 Total £	2024 Total £
Income from pooled investment vehicles	**1,404,391**	2,603,669

The above income relates to dividend income received from Insight and MGI.

10. Reconciliation of investments

	Market value at 1 January 2025 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	**Market value at 31 December 2025 £**
Pooled investment vehicles	106,062,451	125,757,238	(128,850,874)	3,278,913	**106,247,728**
AVC investments	707,808	-	(18,390)	115,705	**805,123**
	106,770,259	125,757,238	(128,869,264)	3,394,618	**107,052,851**

10.1 Transaction costs

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

11. Investment management expenses

	2025 Total £	2024 Total £
Administration, management and custody fees	**8,719**	8,170
Other investment management expenses	**(18,473)**	(12,040)
	(9,754)	(3,870)

The negative figures relate to MGI fee rebates.

12. Taxation

The Scheme 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.

13. Pooled investment vehicles

	2025 Total £	2024 Total £
Equities	**-**	34,394,173
Bonds	**65,931,447**	24,464,987
Cash	**-**	9,869,782
Absolute Return	**-**	10,832,164
Liability Driven Investment	**-**	26,501,345
Multi Asset	**40,316,281**	-
	106,247,728	106,062,451

The Scheme's pooled investments are held under managed fund policies in the name of the Trustee. Income generated by these units is distributed and not retained within the managed funds.

14. AVC investments

The Trustees holds assets within the main fund and also holds assets which are separately invested from the main fund in the form of individual bank and building society accounts and policies of assurance. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 31 December each year, confirming the amounts held to their account and the movements during the year.

The total amount of AVC investments at the year end is shown below:

	2025 Total £	2024 Total £
AGEON Scottish Equitable	**490,320**	436,600
Clerical Medical Investment Group Limited	**166,640**	133,540
Utmost Life and Pensions Limited	**148,163**	137,668
	805,123	707,808

15. Fair value hierarchy

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities which the reporting entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs which reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs which reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets fall within the above hierarchy as follows:

	2025 Level 1 £	**2025 Level 2 £**	**2025 Level 3 £**	**2025 Total £**
Pooled investment vehicles	**-**	**106,247,728**	**-**	**106,247,728**
AVC investments	**-**	**788,021**	**17,102**	**805,123**
	-	**107,035,749**	**17,102**	**107,052,851**

Analysis for the prior year end is as follows:

	2024 Level 1 £	2024 Level 2 £	2024 Level 3 £	2024 Total £
Pooled investment vehicles	-	106,062,451	-	106,062,451
AVC investments	-	683,460	24,348	707,808
	-	106,745,911	24,348	106,770,259

16. Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Scheme is exposed at the end of the reporting period: this is set out in the revised Statement of Recommended Practice (SORP), published in July 2018.

All risk disclosures are based on Mercer's interpretation of guidance issued by the Pensions Research Accountants Group (PRAG). For further information on all Mercer funds, please refer to the audited fund financial statements.

The risks set out by FRS 102 for disclosure are as follows:

Market risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

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

Credit risk: this 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.

The Scheme has exposure to the above risks through the assets held to implement its investment strategy. The investment strategy has been designed to balance the risk and return while allowing the Scheme to achieve its objectives.

The Trustee has taken the step to reduce investment risk over the long-term within their portfolio by implementing a de-risking strategy whereby the level of investment risk inherent in the Scheme's investment arrangements will reduce further as the Scheme's funding level improves. The Trustee agreed the way in which the investment risk should be reduced and has delegated the implementation of the de-risking strategy to Mercer. The de-risking strategy comprises funding level triggers which are monitored daily by Mercer, having gone into effect after year-end as at 2 January 2026. When a pre agreed trigger level is breached, Mercer will opportunistically switch the assets from the Growth Portfolio to the Matching Portfolio. Mercer constructs portfolios of investments that are expected to maximise the return given the targeted level of risk.

The investment objectives and risk limits of the Scheme are further detailed in the SIP. Further information on the Trustee' approach to risk management, credit and market risk is set out below.

16. Investment Risk - continued

(i) Investment Strategy

The investment objective of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Scheme payable under the Trust Deed and Rules as they fall due. The investment strategy is agreed by the Trustee, taking into account considerations such as the strength of the Employer covenant, the long-term liabilities of the Scheme and the Recovery Plan agreed with the Employer. The key decision is the split between the Growth and Matching Portfolios in the investment strategy. More details on the investment strategy are set out in the SIP.

The Scheme's current target investment strategy is as follows:

- 54.0% in investments that share characteristics with the long-term liabilities of the Scheme, referred to as the Matching Portfolio. The Matching Portfolio is invested in assets including government and corporate bonds as well as funds incorporating derivative instruments to hedge the impact of interest rate movements and inflation expectations on the long term liabilities.
- 46.0% in investments that seek to generate a return above the liabilities, referred to as the Growth Portfolio. The Growth Portfolio is currently invested in global developed market and emerging market equities, emerging market debt, high yield bonds, multi-asset credit, absolute return bonds, secured finance, a diversified growth fund, property, alternatives, private markets and cash.

75.0% currency hedge ratio within the Multi Asset Solution fund. This is achieved through a currency hedging policy using currency hedging derivatives such as forwards and swaps within the Mercer Funds held. Please note that additional currency risk may arise when underlying managers take active currency positions or from allocations to fixed income assets denominated in non-sterling currencies.

The actual allocations will vary from the above due to market price movements, dynamic asset allocation decisions, trigger breaches and intervals between rebalancing the portfolio.

Financial Risk Breakdown

The following table summarises the extent to which the various asset classes of investments are affected by financial risks. Since the assets are all invested in pooled funds as opposed to being held on a direct basis, the risks are referred to as indirect:

Fund	Portfolio	Indirect Currency Risk	Indirect Interest Rate Risk	Indirect Credit Risk	Indirect Other Price Risk	End of Year (£m)
Schroders Secured Finance	Growth	X	X	X	X	3.1
Mercer Multi Asset Solution Fund	Growth	X	X	X	X	40.3
IIFIG Secured Finance II Fund	Growth	X	X	X	X	6.6
Tailored Credit II	Matching		X	X		8.4
Tailored Credit 0	Matching		X	X		8.4
Mercer Investment Fund 27	Matching	X	X	X	X	39.5

Source : Mercer and Insight

16. Investment Risk - Continued

Growth				
	Type of risk	(£ m)	% Growth	% Total Assets
End of Year	Indirect Currency Risk	50.0	100.0%	47.0%
	Indirect Interest Rate Risk	50.0	100.0%	47.0%
	Indirect Credit Risk	50.0	100.0%	47.0%
	Indirect Other Price Risk	50.0	100.0%	47.0%

Matching				
	Type of Risk	(£ m)	% Matching	% Total Assets
End of Year	Indirect Currency Risk	39.5	70.2%	37.2%
	Indirect Interest Rate Risk	56.3	100.0%	53.0%
	Indirect Credit Risk	56.3	100.0%	53.0%
	Indirect Other Price Risk	39.5	70.2%	37.2%

(ii) Market Risk

a. Currency Risk

The Scheme is subject to currency risk because some of the pooled investment vehicles in which the Scheme invests are denominated or priced in a foreign currency. Indirect currency risk arises from the Scheme's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency. To control this risk, a strategic target currency hedge ratio of 75.0% has been set for the Multi Asset Solution Fund. Currency risk is not undertaken where the costs of hedging are excessive or the currency exposure is expected to be rewarded by return.

b. Interest Rate Risk

The Scheme's Growth and Matching Portfolios are subject to indirect interest rate risk because some of the Scheme's investments are held in pooled funds which comprise bonds, Gilt repurchase agreements and cash.

The Trustee holds their LDI investment strategy within the Mercer Investment Fund 27. Under this strategy, if interest rates fall, the value of LDI investments will rise to help offset the increase in actuarial liabilities which will also increase if interest rates fall (all else equal). Conversely, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities.

c. Other Price Risk

Other price risk arises principally in relation to the Scheme's Growth Portfolio and, specifically, the equity risk premium, and also in relation to the Matching portfolio which is exposed to inflation risk. The equity risk premium is expected to be rewarded with return whilst the inflation risk is used to protect the Scheme against the inflation risk inherent in the Scheme's liabilities. The benchmark set for investment in Growth Portfolio was 46.0% of the total investment portfolio as at 31 December 2025.

(iii) Credit Risk

The Scheme's Growth and Matching Portfolio are subject to indirect credit risk.

Indirect credit risk largely relates to the Scheme holding of bond assets held within both the Growth and Matching portfolios. This credit risk is expected to be rewarded with an additional return over risk-free bond assets. Credit risk is managed diversification and active management of the bond assets

Credit risk also arises from counterparties to derivative contracts that the Scheme enters into, particularly within the Matching portfolio. This risk is managed by ensuring that derivative positions are suitably collateralised and that the credit-worthiness of the counterparties is restricted to the highest credit ratings.

The Scheme's holdings in pooled investment vehicles are not rated by credit rating agencies. The Trustee manages and monitors the credit risk arising from its pooled investment arrangements by considering the nature of the pooled fund vehicles, the legal structure and regulatory environment.

Mercer is responsible to manage credit risk within the Scheme's Matching Portfolio and the Trustee reviews this periodically.

16. Investment Risk - continued

The Growth and Matching portfolios are exposed to direct credit risk by nature of their investment in the Mercer Funds as opposed to the underlying assets held. The Mercer Funds are collective investment schemes incorporated as limited liability variable capital companies as well as an open-ended umbrella common contractual fund. These are authorised by the Central Bank of Ireland. The Mercer Funds are not rated by credit rating agencies and so the Trustee manages and monitors the direct risk by considering the nature of the Mercer Funds, their legal structure and the regulatory environment they are required to work within. Direct credit risk arising from the Mercer Funds is also mitigated by the underlying assets that are directly held by the Mercer Funds being predominantly ring-fenced from the underlying investment managers and custodians.

Some pooled arrangements invest in other pooled arrangements, for example, the Mercer Investment Fund 27 hosts the Scheme's segregated LDI holdings. MGIE has considered the impact of these arrangements in relation to the Scheme's exposure to failure by the sub-funds who may have different regulatory or insolvency protections compared to the pooled investment made directly by the Scheme.

A summary of the pooled investment vehicles by type of arrangement is set out below.

Arrangement type	Start of Year (£m)	End of Year (£m)
Open ended investment companies	105.9	106.2
Total	**105.9**	**106.2**

17. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year end:

	2025		2024	
	£	**%**	£	%
Mercer Multi Asset Solution Fund	**40,316,281**	**37.4**	N/A	N/A
Mercer Investment Fund 27	**39,532,279**	**36.6**	N/A	N/A
Mercer Tailored Credit Fund 0	**8,377,861**	**7.8**	N/A	N/A
Mercer Tailored Credit Fund 2	**8,376,151**	**7.8**	N/A	N/A
IIFIG Secured Finance II Fund	**6,585,637**	**6.1**	6,661,132	6.2
L&G Life GPGE Future World Global Equity Fund	**N/A**	**N/A**	14,819,662	13.8
Ress Life investments	**N/A**	**N/A**	10,832,164	10.1
L&G Life MC Global Listed Private Equity Passive Fund	**N/A**	**N/A**	9,883,182	9.2
Insight Liquidity Fund	**N/A**	**N/A**	9,514,435	8.9
Insight LDI Partially Funded Index-Linked Gilts 2041-2050	**N/A**	**N/A**	5,975,323	5.6
Insight LDI Partially Funded Index-Linked Gilts 2031-2040	**N/A**	**N/A**	5,318,507	4.9

18. Employer-related investments

The Trustee is satisfied that the proportion of the Scheme's assets in employer-related investments does not exceed 5% of the market value of the Scheme's assets as at 31 December 2025 (31 December 2024: £Nil).

19. Current assets

	2025 Total £	2024 Total £
Interest accrued on cash deposits	**647**	-
Investment income receivable	**203,803**	119,625
Cash deposits held	**758,234**	651,984
	962,684	771,609

Cash deposits are held in the name of the Trustee with HSBC Bank plc.

20. Current liabilities

	2025 Total £	2024 Total £
Taxation payable	**78,331**	68,561
Administrative expenses payable	**11,814**	12,090
Investment management expenses payable	**-**	2,748
	90,145	83,399

21. Related party transactions

All expenses in connection with the Scheme are borne by the Principal Employer in line with the Schedule of Contributions. Fees of £4,182 (2024: £4,944) charged by the Trustee in respect of services to the flexible retirement option exercise during the year were payable by the Scheme.

It was agreed by the Employer and Trustee that the excess payment of £800,000 in respect of the shortfall-correction contributions paid for the period 1 January 2023 to 31 August 2023 should be used to pay administration expenses (up to a total of £800,000) otherwise due from the Employer, from the Scheme. Trustee fees paid from this excess during the year totalled £nil (2024: £84,424). The excess is now depleted.

The Trustee fees paid by the employer for the year ended 31 December 2025 totalled £122,564 (2024: £38,699).

22. GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the Scheme's rules should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. A subsequent ruling on the treatment of past transfers out, issued on 20 November 2020, has meant that trustees also need to consider making up the shortfall on transfer values paid out of schemes that contained GMP that had not been equalised prior to payment. The issues determined by these judgments arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme is aware that the issues will affect the Scheme and will be considering this at future meetings and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. The Trustee began the exercise of equalising member GMP within the prior Scheme year and payments were made totalling £95,156 in October 2024, and £419,320 was paid in November 2025.

Independent Auditor's Statement about Contributions to the Trustees

We have examined the Summary of Contributions to the Volvo Car UK Pension Scheme for the Scheme year ended 31 December 2025 which is set out on page 30 .

In our opinion contributions for the Scheme year ended 31 December 2025 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 29 September 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 30 have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contribution and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of the audit report

This statement is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our work on contributions, for this statement, or for the opinion we have formed.

Assure Uk

Assure UK
Chartered Accountants and Statutory Auditor
London

Date: 23-06-2026 | 2:00:07 PM BST

Summary of Contributions

During the year ended 31 December 2025, the contributions payable to the Scheme by the Employer were as follows:

	2025 Total £
Contributions payable under the Schedule of Contributions:	
Employer contributions:	
Deficit funding	**1,800,000**
Contributions payable under the Schedule of Contributions (as reported on by the Scheme Auditor) and reported in the financial statements	**1,800,000**

Approved by the Trustees (Vidett Trust Corporation Limited - represented by James Double) and signed on its behalf by:

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Date: 23-06-2026 | 12:29:02 PM BST ....