

Cummins PGI Holdings Ltd

Annual report and financial statements

For the year ended 31 December 2024

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Year ended 31 December 2024

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Cummins PGI Holdings Ltd

Officers and professional advisers

The board of directors

A Holthouse
E D Smith
M Eyles

Company secretary

A Holthouse (appointed on 28 March 2024)
J M Rigler (resigned on 28 March 2024)

Registered office

3rd Floor
10 Eastbourne Terrace
Paddington
London
England
W2 6LG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

The directors present their Strategic Report for the financial year ended 31 December 2024.

Definitions

As used in this annual report, "Cummins" and "Cummins Group" refers to Cummins Inc. and its subsidiary undertakings, the "Company" refers to Cummins PGI Holdings Ltd., and the "directors" and the "board" refer to the directors and the board of the Company.

Business review

The principal activity of the Company during the year was that of holding investments in subsidiaries of Cummins Inc.

The loss for the financial year amounted to £22,056,000 (2023: loss of £3,302,000). The net assets at 31 December 2024 were £72,368,000 (2023: £94,424,000).

Principal risks and uncertainties

Due to the nature of the Company, the directors do not consider there to be any significant operational risks other than the financial risks discussed in the directors' report and the ESG risk highlighted below.

Environmental, Social and Governance (ESG) standard and expectations

In recent years, there has been an increased focus from stakeholders on ESG matters, including Green House Gases (GHG) emissions and climate-related risks, renewable energy, water stewardship, waste management, diversity, equity and inclusion, responsible sourcing and supply chain, human rights and social responsibility. Given Cummins' commitment to certain ESG principles, it actively manages these issues and have established and publicly announced certain goals, commitments and targets which may refine, or even expand further, in the future. These goals, commitments and targets reflect Cummins' current plans and aspirations and are not guarantees that it will be able to achieve them. Evolving stakeholder expectations and Cummins' efforts to manage these issues, report on them and accomplish its goals present numerous operational, regulatory, reputational (including Greenwashing), financial, legal and other risks, any of which could have a material adverse impact, including on the Company's reputation. Any failure, or perceived failure, to meet evolving stakeholder expectations and industry standards or achieve ESG goals, commitments and targets could have a material adverse effect on the Company's business, results of operations and financial condition.

Key performance indicators

Key performance indicators are not used to manage the business given its limited transactions.

Future developments

The Company's immediate parent company is Cummins EMEA Holdings Limited, a company incorporated and registered in England & Wales. The Company is a holding company with investments in subsidiaries within the Cummins Group. As a holding company, the Company is reliant of interest and dividend income from its subsidiaries.

Section 172 Companies Act 2006 ("s172") Statement

The board complied in all material respects with its s172 duties, which require the board to have regard to the matters set out in section 172(1)(a) to (f). Various measures were in place, throughout the 2024 financial year, to ensure that this happened. These measures ensured that the board's actions and decisions would promote the long-term success of the Company for the benefit of its direct and ultimate shareholders. In addition, it demonstrates how regard was had to the matters listed in s172, namely:

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the Company's employees;
- (c) The need to foster the Company's business relationships with suppliers, customers and others;
- (d) The impact of the Company's operations on the community and the environment;
- (e) The desirability of the Company maintaining a reputation for high standards and conduct; and
- (f) The need to act fairly as between members of the Company.

Examples of actions being taken with regard to the s172 matters are set out as under:-

Employees

Across Cummins it is recognised that an engaged workforce tends to be happier, more energised, safer and more successful, whilst delivering better long-term business outcomes. The Company is committed to embedding and sustaining this positive culture within its subsidiaries which has been important to the board for many years and is reflected in the Company's core values of Integrity, Diversity, Inclusion, Caring, Excellence and Teamwork.

Customers

The customers and partners of the Company's subsidiaries are highlighted as being key to those subsidiaries' competitive strength and to the Company's success. There are many varied interactions with customers of the Company's subsidiaries at different levels and functions throughout the organization. Typically, the Cummins CEO or COO meet annually, and senior leaders meet a handful of times a year, with their opposite numbers at major customers of the Cummins Group to discuss longer term strategy and any major issues or opportunities. Meetings between technical teams and engineers take place more regularly, to discuss product requirements and other long to medium term needs. Members of the board may attend some of these meetings throughout the year, depending upon the business unit and how each meeting may relate to and the board members' individual area of expertise.

Section 172 Companies Act 2006 ("s172") Statement (continued)

Distributors

Distributors are a critical part of the business model of many of the Company's subsidiaries and those subsidiaries take steps to ensure their distributors share Cummins values, regardless of the nature of the distributor. Compliance training, and ethics and compliance initiatives and policies are made available to distributors to encourage distributors to adopt Cummins ethical principles and values.

Communities

Cummins has a deeply rooted historical commitment to community problem solving. The Company focuses its engagement efforts on three priority areas critical to healthy communities: education, equity and environment and creates impact by encouraging its subsidiaries to engage in their communities, focusing on those priorities and identifying opportunities where there is a unique ability to address using the knowledge and skills of employees.

Environment

The directors are ultimately responsible for assessing and managing climate-related risks and opportunities for the Company. The Company's board of directors is ultimately responsible for assessing and managing climate-related risks and opportunities for the Company. The board meets at least once per year on a formal basis and otherwise calls ad hoc meetings as required to discuss specific risks and opportunities facing the business. In addition, on an annual basis the board reviews all existing and new risks to assess the key risks for the Company for the coming year. Climate-related risks and opportunities impacting the Company's subsidiaries are assessed and managed at a subsidiary level.

Suppliers

Cummins holds suppliers to a higher standard than just compliance with local laws in the form of its Supplier Code of Conduct, which applies to all businesses that provide products or services to the Company, and its subsidiaries. The code helps the Company and its subsidiaries to ensure that they are doing business with other companies around the world that share the Cummins values and sustainable practices, and which treat their own stakeholders in a manner that is consistent with those values. During 2024, the Company's subsidiaries continued to focus on the growth and expansion of supplier development activities with an intentional and strategic move to improve partnership with many suppliers to ensure future capability improvement, planned capacity adjustments in line with demand and minimising risk of supply chain issues in region.

Government

Cummins is a strategic partner for the UK Government, a relationship that the Company values highly. Cummins has a strategic account manager within Westminster and has regular meetings to discuss its strategies and issues, and to understand upcoming policy from Government. Cummins maintains strong relationships with the local MPs for most of the Company's major sites and works with them on local and national issues as required. The Company is a member of various industry bodies in the UK and works with them to help the Government to understand industry perspectives on a number of topics including gender diversity, product regulation, trade and immigration. During the financial year 2024 Cummins took part in a number of meetings (including round tables with other industry representatives) with Government to discuss and consult trade, transport and energy policy.

Non-Financial and Sustainability Information Statement

In accordance with section 414CB of the Companies Act 2006 (the 'Act'), the Board provides, within this Statement, the climate-related financial disclosures for the Company which has Cummins Inc. ('Cummins') as its ultimate parent company ('Cummins Group'). It is a holding company only and has no operational activities nor any direct management control over its subsidiaries other than its role as a shareholder. Climate-related risks and opportunities must therefore be viewed in relation to the Company's investment in its subsidiaries.

(a) The Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities

The Company

Company Board of Directors:

The Company's board of directors is ultimately responsible for assessing and managing climate-related risks and opportunities for the Company. The board meets at least once per year on a formal basis and otherwise calls ad hoc meetings as required to discuss specific risks and opportunities facing the business.

On an annual basis the board reviews all existing and new risks to assess the Company's key risks for the coming year. Other than financial risks as discussed in the Directors' Report, the board does not consider there to be any significant risks beyond those of its subsidiaries. Climate-related risks and opportunities impacting the Company's subsidiaries are assessed and managed at a subsidiary level.

Non-Financial and Sustainability Information Statement (continued)

(a) The Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities (continued)

Cummins Group

The Company forms part of a global group of companies owned by Cummins. Cummins has governance structures in place to assess and manage climate-related risks and opportunities that affect the Cummins Group, including the UK. This global governance structure works together with the Company's to provide a framework for identifying, assessing, and managing climate-related risks and opportunities of the Company and the Cummins Group.

Cummins Board of Directors Oversight:

Global standardized climate-related strategies, policies and targets are set by Cummins that Cummins requires its wholly owned subsidiaries and management controlled joint ventures to comply with. Oversight of climate-related risks and opportunities across the Cummins Group is the responsibility of the Cummins Board of Directors (Cummins Board).

The Cummins Board and its committees regularly review environmental, social and governance (ESG) strategy, including risks, challenges, and progress. The Safety, Environment and Technology (SET) committee provides overall guidance and insight on major environmental sustainability initiatives such as Cummins' environmental sustainability strategy, as well as environmental management at the Cummins Group's facilities and operations.

Cummins Leadership Responsibilities:

The Chair and CEO at Cummins has direct responsibility for climate-related issues in strategy, operations (manufacturing and supply chain), planning, budget, technology and innovation. The centralized Technical and Environmental Systems organization, reporting to the Chief Technical Officer (CTO), contains the Environmental Sustainability Program office for sustainability plans and reviews with a focus on technology and innovation. The CTO oversees advancements in research and technology, enterprise technology portfolio management and the overall responsibility for the Cummins Group's environmental sustainability strategy.

Action Committee for Environmental Sustainability (ACES):

Cummins' Action Committee for Environmental Sustainability (ACES), formed in 2012, integrates climate action into Cummins' overall business strategy. The executive sponsor and the head of this group both report up to the Chief Technical Officer. The group is the voice and catalyst for environmental action beyond compliance in the Cummins Group and provides tools and resources for employees to go further and faster in reaching Cummins' environmental goals. The group meets monthly and reports progress to the CTO through its executive sponsor. ACES directs the development and implementation of the environmental sustainability strategy and reports out on progress in meeting goals. The corporate ACES team has a global focus, including among its stakeholders every business segment and key functions. It meets annually with the Chair and CEO. The individual stakeholders and goal owner areas of ACES ensure that all aspects of the environment and relevant areas of the business are included, and data is collected and reported that informs decision-making and goal setting. Additional executive sponsor meetings align functional and business leaders across the organization and prioritize actions required for goal progress.

Cummins Executive Risk Council

Cummins has an Executive Risk Council comprised of the Executive Vice President and President - Operations, Vice President - Chief Financial Officer, Vice President - Chief Legal Officer and Corporate Secretary, Vice President - Corporate Strategy and Vice President - Chief Administrative Officer. The council meets regularly to review and update Cummins' material enterprise-related risks and mitigation plans. As climate-related risks affect all aspects of the business, the enterprise risks incorporate, where relevant, climate-related aspects, with a separate stand alone enterprise risk on climate change. The Executive Risk Council (ERC) provides direction on risk assessments and mitigation plans, approves all risk escalation or de-escalation, and identifies new and emerging risks. Ownership of the most significant enterprise risks are assigned to members of Cummins' leadership team. The ERC reviews all the risks annually and regularly completes detailed review of top tier risks. After each annual review, the enterprise risks are presented to the Cummins Board of Directors with the Cummins' leadership team in attendance. The final enterprise risks are then shared with each region, including the UK and Cummins senior leadership.

Cummins ESG Strategy Team:

The ESG Strategy Team is led by the Executive Director of Global Risk. This team is responsible for leading Cummins Group's double materiality assessment to identify ESG impacts, risks and opportunities; co-ordinates Cummins' global approach to ESG, to provide support to the Cummins businesses in the achievement of their ESG-related business strategies such as their environmental sustainability strategy and ensures compliance with the Cummins Group's obligations under the growing number of ESG reporting and compliance regulations globally.

The ESG Strategy Team lead a cross-functional ESG working group, primarily comprised of various functional and regional representatives, including representatives from the UK. Cummins also has an ESG management review group (MRG) which includes senior leaders who help break down barriers and provide guidance to the ESG Strategy Team that can be put into action by the ESG Working Group.

Non-Financial and Sustainability Information Statement (continued)

(b) How the Company identifies, assesses and manages climate-related risks & opportunities

Cummins Board and the senior management team oversee the Cummins Group's top risks, while the Enterprise Risk Management program gives the Cummins Board and senior management a framework to help them understand, identify, assess, manage and monitor risks so Cummins can meet the Cummins Group's strategic objectives. The Cummins Board is ultimately responsible for assessing and managing climate-related risks and opportunities. Managing risk effectively is on the agenda at every regular board meeting, and the Cummins Board reviews the entire Enterprise Risk Management program and the results of our latest enterprise risk assessment each year. As climate-related risks affect all aspects and regions of the business, the enterprise risks incorporate, where relevant, climate-related aspects, with a separate stand-alone enterprise risk on climate change. The Cummins Group has a mature enterprise risk management program that identifies, categorizes and analyzes the relative severity and likelihood of the various types of material enterprise-related risks to which the Cummins Group is or may be subject.

The governance structures related to climate-related risks are discussed in more detail in section (a) above.

The Corporate HSE team manages Cummins' global ISO 14001 certificate covering all large sites across the globe, including the large UK sites. Under the ISO 14001 standards Cummins and each site must conduct a risks and opportunities assessment, including climate-related risks affecting the site, and an environmental aspects and impacts assessment, assessing the severity of activities and services on the local, regional and global environment. The Cummins global certificate is externally audited annually by Standard Global Services (SGS), and individual sites are internally audited every 2 years, and audited by SGS at least every 5 years.

As well as Company and Cummins governance and risk management structures that regularly assess and identify climate-related risks, Cummins has performed several specific global climate-related assessments that assess climate-related risks across all its group companies, including the Company.

Cummins Environmental Sustainability team conducted a hot spot environmental assessment and the resulting data informs the Cummins Group's strategy and planning. The assessment concluded that 99% of Cummins' global GHG footprint comes from the products in their use phase. Cummins identified an opportunity to address these emissions by setting a science-based target to reduce lifetime emissions from newly sold products in their use phase timed to 2030 as part of its product decarbonization strategy. Cummins' environmental sustainability strategy prioritizes actions to address Cummins' biggest environmental opportunities from the materials it buys to the emissions of its products. It provides a coordinated approach across the Cummins Group to address Cummins' environmental footprint beyond regulation and compliance requirements.

Cummins regularly uses external stakeholder engagement, including frequent collaborations with partners, suppliers, government agencies and customers, to identify risks from increasing regulations, changing customer preferences, new disruptive technology, and public policy support for low-carbon products.

Cummins uses a materiality assessment to help determine the most important issues facing the Cummins Group. The double materiality assessment is led by the ESG Strategy team reporting to the Executive Director of Global Risk and is reviewed and approved by Cummins' Executive Risk Council. Given the evolution of sustainability focused materiality assessments and the various regulations and standards expected to drive changes in how companies conduct those, in 2023 Cummins completed its first double materiality assessment considering two dimensions - the Cummins Group's impact, positive or negative, on people and the environment, as well as material impacts on the Cummins Group. Stakeholder engagement included subject matter expert groups across the Cummins Group including the UK (including but not limited to enterprise risk management, product planning, technical and environmental systems, health, safety and environment management, environmental sustainability, facilities management, supply chain), executive leadership, employees and suppliers, as well as customers and community groups.

Cummins launched a Climate Change & Resiliency working group to understand how climate change might impact the risks within its operations. Weather events have increased in frequency and severity, which pose potentially different threats. Utilizing climate analytics, Cummins identifies and integrates climate risks into its business resiliency plans and sustainability goals. The project looks at various aspects of risk, including wind, flood, drought, wildfire, etc. Cummins is focused on a variety of aspects, including business continuity, reporting, financial resilience and sustainability reporting. Some details of this work are included below. Cummins created a risk scoring matrix to prioritize the most at-risk sites across the globe with a detailed watershed assessment conducted for the most at-risk facilities. Facility data and conditions are reviewed annually and may alter the priority sites from year to year. These assessments help Cummins better understand and evaluate water-sourcing risks, alternatives, and overall watershed conditions across the Cummins Group. In addition to continued water conservation measures and technologies, additional response measures may include the deployment of additional water storage and low- or no-water use processes such as air-cooled chiller systems where warranted, and upgrades to wastewater treatment systems to allow for 100% reuse for non-potable purposes.

Cummins also conducted a risk assessment for natural catastrophe risk, this being the physical environmental conditions that may cause damage to assets and lead to lost profit and disruption to operations. During 2024 Cummins partnered with external consultants to assess 500 locations around the world, including sites owned by the Company, against seven climate perils: flood, wind, heat, hail, drought, wildfire and precipitation. The risk impacts were assessed in 5 year increments up to the year 2100 and the top 10 sites at risk were identified for each peril. The findings of the assessment were fed back to Cummins and working groups were formed for each peril to identify mitigation interventions and to build climate resilience plans. In addition, for any new-build projects or assessments, natural catastrophe exposure data is incorporated into the project plan at 'P0' initial stage, as part of Cummins' New Business Startup process.

Non-Financial and Sustainability Information Statement (continued)

(b) How the Company identifies, assesses and manages climate-related risks & opportunities (continued)

Finally, Cummins has established a Holistic Emergency Management (HEM) program which requires all sites globally to prepare and maintain a business continuity plan (BCP). Site leadership from all sites are required to rank the site risks - highest to lowest. These risks are reported to Cummins' Regional Security Advisor and Global Integrated Services (GIS) function for review. For each risk, appropriate mitigation strategies and actions are required to be set out in a BCP plan and resourced accordingly. Those plans include policies, processes, training, and equipment. The Security Team within GIS consults with site leaders on the development of those plans and then tests those plans at least once every three years.

(c) Integration into Company's risk management process

As noted in section (a) above, the identification, assessment and management of climate-related risks have been embedded within Cummins' existing global risk framework and environmental strategy and monitoring processes. This follows through into the subsidiaries processes and at the Company level, climate-related risks are tracked through regular HSE and risk register updates to the Company's board and to senior management groups.

The global ESG strategy team co-ordinates efforts across all regions and to ensure compliance and consistency across all subsidiaries, including the Company, with respect to ESG more broadly. Further details of this team are set out in Section (a) above.

d) A description of the principal climate-related risks and opportunities arising in connection with the Company's operations, and the time periods by reference to which those risks and opportunities are assessed

As noted in section (b) above, risks and opportunities are assessed at a Cummins group level. Cummins has identified several risks and opportunities but the ones set out in this section are the ones that impact the Company and the Company's subsidiaries.

Time Period Definitions:

Short-term (one to three years): For Cummins, three years or sooner is a short time horizon, especially for product development. Acquisitions would be included in this timeframe.

Medium-term (three to 10 years): Most of Cummins planning falls into this time horizon, as engine platforms or specific product launches are not short-term.

Long-term (10 to 30 years): Cummins environmental sustainability strategy environmental sustainability strategy would fall into this category. It contains science-based goals for 2030 and aspirations timed to 2050.

CLIMATE-RELATED RISKS

TRANSITION RISKS:

i) Technology

Risk type and primary climate-related risk driver: Technology. Transitioning to lower emissions technology

Primary potential negative financial impact: The development of new technologies may materially reduce the demand for our current products and services.

- Time-horizon: Medium to long-term
- Likelihood: More likely than not

Description: Cummins is investing in new products and technologies, including electrified powertrains, hydrogen production and fuel cells, for planned introduction into certain new and existing markets. Given the early stages of development of some of these new products and technologies, there can be no guarantee of the future market acceptance and investment returns with respect to Cummins' planned products, which will face competition from an array of other technologies and manufacturers. The ongoing energy transition away from fossil fuels and the increased adoption of electrified powertrains in some market segments could result in lower demand for current diesel or natural gas engines and components and, over time, reduce the demand for related parts and service revenues from diesel or natural gas powertrains. Furthermore, it is possible that Cummins may not be successful in developing segment-leading electrified or alternate fuel powertrains and some of Cummins' existing customers could choose to develop their own, or source from other manufacturers, and any of these factors could have a material adverse impact on Cummins Group's results of operations, financial condition and cash flows.

Non-Financial and Sustainability Information Statement (continued)

d) A description of the principal climate-related risks and opportunities arising in connection with the Company's operations, and the time periods by reference to which those risks and opportunities are assessed (continued)

CLIMATE-RELATED RISKS (continued)

TRANSITION RISKS (continued):

ii) Emerging regulations

Risk type and primary climate-related risk driver: Emerging regulation. Mandates on and regulation of existing products and services.

Primary potential negative financial impact: Cummins products are subject to extensive statutory and regulatory requirements that can significantly increase Cummins' costs and, along with increased scrutiny from regulatory agencies and unpredictability in the adoption, implementation and enforcement of increasingly stringent and fragmented emission standards by multiple jurisdictions around the world, could have a material adverse impact on Cummins' results of operations, financial condition and cash flows.

- Time horizon: Medium-term
- Likelihood: About as likely as not

Description: Cummins engines are subject to extensive statutory and regulatory requirements governing emissions and noise, including standards imposed by the UK, EU, USA and other regulatory agencies around the world. Regulatory agencies are making certification and compliance with emissions and noise standards more stringent and subjecting diesel engine products to an increasing level of scrutiny. In addition, failure to comply with the terms and conditions of the Agreement in Principle with the United States EPA, California Air Resources Board, Department Of Justice and the California Attorney General's Office will subject Cummins to stipulated penalties. The discovery of noncompliance issues could have a material adverse impact on Cummins' results of operations, financial condition and cash flows.

Developing engines and components to meet more stringent and changing regulatory requirements, with different implementation timelines and emission requirements, makes developing engines efficiently for multiple markets complicated and could result in substantial additional costs that may be difficult to recover in certain markets. While Cummins has met previous deadlines, its ability to comply with existing and future regulatory standards will be essential for the Cummins Group to maintain its competitive position in the engine applications and industries the Cummins Group serves. The successful development and introduction of new and enhanced products in order to comply with new regulatory requirements are subject to other risks, such as delays in product development, cost over-runs and unanticipated technical and manufacturing difficulties.

In addition to these risks, the nature and timing of government implementation and enforcement of increasingly stringent emission standards in Cummins Group's worldwide markets are unpredictable and subject to change. Any delays in implementation or enforcement could result in a loss of Cummins Group's competitive advantage and could have a material adverse impact on its results of operations, financial condition and cash flows.

iii) Effects of Climate Change

Risk type and primary climate-related risk driver: Climate change and effects of climate change.

Primary potential negative financial impact: Cummins may be adversely impacted by the effects of climate change and may incur increased costs and experience other impacts due to new or more stringent climate change regulations, accords, mitigation efforts, GHG regulations or other legislation designed to address climate change.

- Time horizon: Medium to long-term
- Likelihood: More likely than not

Description: The scientific consensus indicates that emissions of GHG continue to alter the composition of Earth's atmosphere in ways that are affecting, and are expected to continue to affect, the global climate. The potential impacts of climate change on Cummins Groups' customers, product offerings, operations, facilities and suppliers are accelerating and uncertain, as they will be particular to local and customer-specific circumstances. These potential impacts may include, among other items, physical long-term changes in freshwater availability and the frequency and severity of weather events as well as customer product changes either through preference or regulation.

Concerns regarding climate change may lead to additional international, national, regional and local legislative and regulatory responses, accords and mitigation efforts. Various stakeholders, including legislators and regulators, shareholders and non-governmental organizations, are continuing to look for ways to reduce GHG emissions, and consumers are increasingly demanding products and services resulting in lower GHG emissions. The Cummins Group could face risks to its brand reputation, investor confidence and market share due to an inability to innovate and develop new products that decrease GHG emissions. Increased input costs, such as fuel, utility, transportation and compliance-related costs could increase Cummins Group's operating costs and negatively impact customer operations and demand for its products. As the impact of any additional future climate related legislative or regulatory requirements on Cummins global businesses and products is dependent on the timing, scope and design of the mandates or standards, Cummins is currently unable to predict its potential impact which could have a material adverse effect on Cummins Group's results of operations, financial condition and cash flows. Climate change may exacerbate the frequency and intensity of natural disasters and adverse weather conditions, which may cause disruptions to Cummins Group's operations, including disrupting manufacturing, distribution and its supply chain.

Non-Financial and Sustainability Information Statement (continued)

d) A description of the principal climate-related risks and opportunities arising in connection with the Company's operations, and the time periods by reference to which those risks and opportunities are assessed (continued)

CLIMATE-RELATED OPPORTUNITIES

i) Low emissions products

Opportunity type and primary climate-related opportunity driver: Products and services, development and/or expansion of low emission goods and services.

Primary potential financial impact: Increased revenues resulting from increased demand for products and services.

- Time horizon: Medium-term for electrolyzer and fuel agnostic products; longer-term for fuel cells
- Likelihood: More likely than not

Description: Cummins product decarbonization strategy, Destination Zero, is focused on developing and advancing lower emission internal combustion and zero emission technologies, including battery electric, hydrogen fuel cell, and green hydrogen electrolyzer technologies. Development of zero-carbon technologies is managed by a specific group of companies within the Cummins Group and has been branded "Accelera by Cummins".

Cummins' fuel agnostic engine platform, the first of its kind, will use engine blocks and core components that share common architectures and will be optimized for different low-carbon fuel types, allowing customers to choose a low-carbon fuel that meets the needs of their business, while maintaining the familiarity of an internal combustion engine. This new design approach will be applied across the B, L and X-Series engine portfolios, which will be available for diesel, natural gas and hydrogen.

Cummins is also developing and deploying PEM electrolyzers for the advancement of green hydrogen and is seeing significant momentum in the market as a result of the Inflation Reduction Act of 2022 in North America. Cummins anticipates the demand for its electrolyzers will continue to increase as utility companies move from grey to green hydrogen and will also be suited to supply hydrogen for transport.

Cummins is also actively developing, testing, and deploying battery electric and hydrogen fuel cell technologies, which it believes will be the zero carbon solutions for the industries and applications it serves. Cummins sees battery electric as an ideal zero emission solution for return to base, short-run routes that do not require large torque, such as medium-duty delivery vehicles and transit buses. Cummins expects hydrogen fuel cell solutions to become an increasingly viable option for other applications requiring higher power needs, such as mining and long-haul heavy-duty trucking applications. For both battery electric and hydrogen fuel cell technologies, Cummins will provide the entire electrified powertrain, as well as some of the most critical components that impact performance, quality, and power to the system to deliver the most value to Cummins customers. Cummins anticipates that eventually an increase in battery electric and hydrogen fuel cell products will result in decreased demand for its diesel products, as discussed in the risk section.

Cummins Destination Zero initiative is not limited to newly emerging technologies alone. Continuous development and investment is made in the products produced by the Cummins group to reduce tailpipe emissions through focus on advanced diesel and natural gas technologies. These products are clean, cost effective and available years ahead of other emerging technologies. These initiatives are an important part in reaching the Cummins Group goal of achieving a 25% reduction in emissions from newly sold products by 2030. These initiatives are an important part in reaching the Cummins Group goal of achieving a 25% reduction in emissions from newly sold products by 2030.

e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy

CLIMATE-RELATED RISKS

Transition Risk - Technology

Description: Cummins faces the risk of technology substitution within a medium to long-term time horizon. This risk is driven by factors such as emerging regulations, infrastructure readiness, shifting consumer preferences, and lower ownership costs. Cummins is actively developing zero and near-zero emission technologies, including electrified powertrains, hydrogen fuel cells, and electrolyzers through a specific group of subsidiaries. However, uncertainties exist in market acceptance and investment returns for these early-stage products.

Financial Impact: Potential for decreased revenues due to potential lower demand for current diesel or natural gas engines and components.

Transition Risk - Emerging Regulation

Description: Cummins encounters risks associated with developing new technology to meet evolving emissions regulations within a medium-term time horizon. This includes potential additional costs. The Cummins Group's ability to comply with existing and future regulatory standards is crucial for maintaining competitiveness in engine markets. Compliance efforts are subject to risks such as delays in product development, cost overruns, and technical difficulties.

Financial Impact: Potential for decreased revenues due to reduced demand for products and services.

Non-Financial and Sustainability Information Statement (continued)

e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy (continued)

CLIMATE-RELATED OPPORTUNITIES

Product Development - Decarbonization Strategy:

Description: Cummins leverages its Destination Zero strategy to develop and advance lower emission internal combustion and zero-emission technologies. This includes battery electric, hydrogen fuel cell, and green hydrogen electrolyzer technologies. Cummins' fuel-agnostic engine platform allows customers to choose low-carbon fuels, offering flexibility while meeting sustainability goals. The design approach extends across engine portfolios, covering diesel, natural gas, and hydrogen. Cummins is actively growing its hydrogen capabilities, focusing on fuel cell technologies to power various applications within a medium-term time horizon. This includes transit buses, semi-trucks, delivery trucks, and passenger trains. Scaling up hydrogen technologies aims to deliver competitive low-carbon solutions across multiple applications by 2030. Cummins anticipates increased demand for electrolyzers, particularly as utility companies shift to green hydrogen production.

As Cummins' Destination Zero strategy is enterprise wide, it is an important part of our goal to achieve a 25% reduction in emissions from newly sold products by 2030. This goal is supported through continuous development of advanced diesel and natural gas technologies currently produced and supported by the Company.

Financial Impact: Potential for increased revenues resulting from growing demand for low-emission products.

f) An analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios

Cummins is in the process of conducting an updated scenario analysis to be completed in 2025 which will inform its future disclosures.

In the past, Cummins completed scenario analyses using various methods. One scenario that Cummins used through this planning exercise was a climate-related scenario in which countries around the world take aggressive and globally orchestrated steps to decarbonize their economies. Cummins used a climate-related scenario to understand the extreme limits and major drivers of action within this scenario out to 2035; anything less extreme was compared to a baseline assumption of how this scenario might play out.

Cummins supports the framework of the Paris Agreement and believes it gives the world a flexible framework to address climate change while providing a smooth transition for business:

- It strengthens competitiveness in global markets.
- It benefits UK manufacturing as the country modernizes to new, more efficient technologies.
- It supports investment by setting clear goals which enable long-term planning.
- It expands global and domestic markets for clean, energy-efficient technologies, which will generate jobs and economic growth.
- It encourages market-based solutions and innovation to achieve emissions reductions at lower costs.

Cummins developed and had validated two science-based targets for new products and facilities that meet the threshold to limit global warming to 1.5 °C. To keep that analysis relevant, Cummins must continually monitor and respond accordingly to changes against key indicators. Cummins does not view scenario planning as a one-time activity. Rather, it must be used as a tool on an ongoing basis to account for real world changes that occur to inform the potential futures that are yet to come.

Results from the climate-related scenario analysis also significantly contributed to the formulation of Cummins' overarching environmental sustainability strategy, established in 2019, and the subsequent product decarbonization strategy, Destination Zero, introduced in 2022. Cummins has taken tangible steps to advance a no-carbon green hydrogen economy, announcing investments in electrolyzer facilities globally and collaborating with industry leaders to develop fuel cell solutions.

As for climate risk in Cummins Group facilities, Cummins consulted with an external climate analysis expert using data from dozens of well-vetted climate models, coupled with machine learning, land use and elevation data, and models for hydrology, wildfires, and severe weather to explore trends in future climate scenarios.

Risk due to environmental perils was quantified in five-year increments from 2020 through 2100 for three carbon emissions scenarios.

As part of its commitment to sustainability, Cummins collaborates with major OEMs and end fleets, offering a range of solutions, including battery electric and natural gas technologies. Cummins' engagement in climate risk assessment involves consultation with external climate analysis experts, utilizing various models to understand potential impacts on Cummins Group locations due to climate change. The outcomes of this analysis will guide Cummins in formulating location-specific mitigation efforts, complementing the broader corporate objectives outlined in environmental sustainability strategy, including targets for reducing energy and water consumption.

Non-Financial and Sustainability Information Statement (continued)

g) A description of the targets used by the Company to manage climate-related risks and to realize climate-related opportunities and of performance against those targets

Cummins is working to address climate change across all aspects of the Company. Cummins environmental sustainability strategy is an extension of Cummins' earliest sustainability work and reflects the Company's mission to power a more prosperous world. It is integral to the business growth strategy and focuses on our long-term commitment to protect the planet for future generations.

The strategy includes nine goals timed to 2030 and the aspiration to reach carbon neutrality in its operations and products in use by 2050, focused on three priority areas:

- Using natural resources in the most sustainable way
- Creating better communities because we are there
- Doing our part to address air emissions and climate change in line with science

In 2024, Cummins initiated a planned midpoint review of our 2030 sustainability goals. This review reflected standard governance practices to ensure our metrics, scope and strategies remain aligned with evolving conditions and our long-term objectives. Cummins' commitment to progress remains steadfast, and we anticipate sharing any updates or adjustments to these goals in 2025.

Goals used by the Cummins Group to manage climate related risks and opportunities include the following:

Goal: Cummins aims to reduce absolute Scope 1 and 2 GHG emissions by 50%

Base Year: 2018

Target Year: 2030

Targeted reduction from base year: 50% reduction

Calculation Methodology: Greenhouse Gas Protocol (market-based)

Goal: Reduce scope 3, Category 11 absolute lifetime GHG emissions from newly sold products by 25%.

Base Year: 2018

Target Year: 2030

Targeted reduction from base year: 25% reduction

Calculation Methodology: Greenhouse Gas Protocol

Goal: Reduce scope 3 absolute emissions from products in use by 55 Million Metric Tons

Base Year: 2014

Target Year: 2030

Targeted reduction from base year: 55M Metric Tons

Calculation Methodology: Greenhouse Gas Protocol

Goal: Reduce volatile organic compounds emissions from paint and coating operations by 50%

Base Year: 2018

Target Year: 2030

Targeted reduction from base year: 50% Reduction

Calculation Methodology: Ratio of emissions as calculated from previous fiscal year to 2018 baseline

Goal: Reduce absolute water consumption in facilities and operations by 30% by 2030.

Base Year: 2018

Target Year: 2030

Targeted reduction from base year: 30%

Calculation Methodology: Ratio of Absolute Consumption vs. Baseline

Goal: Produce net water benefits exceeding its annual water use in all regions by 2030.

Base Year: 2021

Target Year: 2030

Targeted reduction from base year: Water neutrality in all regions

Calculation Methodology: Absolute consumption vs. quantifiable efficiency improvements

Non-Financial and Sustainability Information Statement (continued)

h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realize climate-related opportunities and of the calculations on which those key performance indicators are based

Cummins establishes and tracks climate KPI's at the group level with input from regional leaders as necessary. As such, KPI's are reported at the group level and are reflective of climate related topics which are material to Cummins. For additional information, please see Cummins' most recent Sustainability Progress Report at: <https://www.cummins.com/sites/default/files/2024-07/2023-2024-Cummins-Sustainability-Progress-Report.pdf> for more information.

Below is a summary of the key performance indicators used to assess progress against targets used to manage climate-related risks and realize climate-related opportunities.

Goal: Cummins aims to reduce absolute Scope 1 and 2 GHG emissions by 50%

Progress: 322,929 metric tons CO₂e (30% reduction from 2018 to 2024)

Goal: Reduce scope 3, Category 11 absolute lifetime GHG emissions from newly sold products by 25%.

Progress: 2024 newly sold products will have a lifetime impact of 1,067 MMT CO₂e

Goal: Reduce scope 3 absolute emissions from products in use by 55 Million Metric Tons

Targeted reduction from base year: 55M Metric Tons

Progress: 38 MMT CO₂e of cumulative emissions reduction as of 2024 from 2014 baseline

Goal: Reduce volatile organic compounds emissions from paint and coating operations by 50%

Targeted reduction from base year: 50% Reduction

Progress: 19% reduction as of 2024 from 2018 baseline

Goal: Reduce absolute water consumption in facilities and operations by 30% by 2030.

Targeted reduction from base year: 30%

Progress: 12.58%

Goal: Produce net water benefits exceeding its annual water use in all regions by 2030.

Targeted reduction from base year: Water neutrality in all regions

Progress: Four of seven regions (India, China, Latin America, Asia Pacific) are water neutral as of 2024

This report was approved by the board of directors on 19 June 2025 and signed on behalf of the board by:



[Edward Smith \(Jun 19, 2025 16:58 GMT+1\)](#)

E D Smith
Director

Registered office
3rd Floor
10 Eastbourne Terrace
Paddington
London
England
W2 6LG

Directors' report

Year ended 31 December 2024

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2024.

Directors

The directors of the Company who served in office during the year and up to the date of signing the financial statements were:

A Holthouse (appointed 28 March 2024)

A C Leitao (resigned 30 April 2024)

E D Smith

M Eyles

J M Rigler (resigned 28 March 2024)

Dividends paid and payable

No dividends were paid or declared during the year (2023: £nil).

Future developments

The Company will continue to act as a holding company.

Financial risk management

The Company's operations expose it to a variety of financial risks that include its ability to borrow money and to fund its interest payments. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

The Company's ability to fund its interest payments are continuously monitored.

The Company is not exposed to significant price risk, credit risk, liquidity risk or cash flow risk, other than discussed above.

Directors' indemnities

Cummins maintains director & officer liability insurance for the benefit of the Company and its directors which was in force during the year and up to date of signing of these financial statements.

Going concern

The directors consider that the going concern basis of accounting continues to be appropriate due to the support of the Company's ultimate parent Cummins Inc., which has confirmed that it will enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of the signing of these financial statements.

Disclosure of information in the strategic report

The business review and details of principal risks and uncertainties are included in strategic report.

Political contribution

The Company made no political donations or incurred any political expenditure during the year (2023: £nil).

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Subsequent events

Refer note 19 for subsequent events.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting (SECR) Statement

The Company is a holding company with no operations. During 2024 the Company did not consume more than 40,000 Kilowatt-hours (kWh) threshold for reporting.

This report was approved by the board of directors on 19 June 2025 and signed on behalf of the board by:



[Edward Smith \(Jun 19, 2025 16:58 GMT+1\)](#)

E D Smith
Director

Registered office
3rd Floor
10 Eastbourne Terrace
Paddington
London
England
W2 6LG

Independent auditors' report to the members of Cummins PGI Holdings Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Cummins PGI Holdings Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2024; the Statement of comprehensive income and the Statement of changes in equity 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 company 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 company'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 directors' 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 company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are 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, except to the extent otherwise explicitly stated in this report, 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.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Cummins PGI Holdings Ltd (continued)

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in manipulation of accounting estimates such as the carrying value of investments. Audit procedures performed by the engagement team included:

- Discussion with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of Board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of investments; and
- Review of journal entries to identify any unexpected account combinations

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.

Independent auditors' report to the members of Cummins PGI Holdings Ltd (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Toni Alderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 June 2025

Cummins PGI Holdings Ltd**Statement of comprehensive income****Year ended 31 December 2024**

	Note	2024 £000	2023 £000
Administrative (expenses)/income		(3,540)	12,201
Operating (loss)/profit	4	(3,540)	12,201
Interest receivable and similar income	7	1,099	1,160
Interest payable and similar expenses	8	(19,484)	(16,584)
Loss before taxation		(21,925)	(3,223)
Tax on loss	9	(131)	(79)
Loss for the financial year		(22,056)	(3,302)
Total comprehensive expense for the year		(22,056)	(3,302)

All the activities of the Company are from continuing operations.

The accompanying notes on pages 20 to 27 form part of these financial statements.

Cummins PGI Holdings Ltd

Statement of financial position

As at 31 December 2024

	Note	2024 £000	2023 £000
Fixed assets			
Investments	10	383,450	383,450
Current assets			
Debtors due after more than one year	11	12,684	17,165
Creditors: amounts falling due within one year	12	(323,766)	(306,191)
Net current liabilities		(311,082)	(289,026)
Total assets less current liabilities		72,368	94,424
Net assets		72,368	94,424
Capital and reserves			
Called up share capital	13	62,783	62,783
Profit and loss account	14	9,585	31,641
Total shareholders' funds		72,368	94,424

The accompanying notes on pages 20 to 27 form part of these financial statements.

The financial statements on pages 17 to 27 were approved by the board of directors and authorised for issue on 19 June 2025 and are signed on behalf of the board by:

Edward Smith

Edward Smith (Jun 19, 2025 16:58 GMT+1)

E D Smith
Director

Company registration number: 08304429

Cummins PGI Holdings Ltd

Statement of changes in equity

Year ended 31 December 2024

	Called up share capital £000	Profit and loss account £000	Total Shareholders' funds £000
At 1 January 2023	62,783	34,943	97,726
Loss for the year	-	(3,302)	(3,302)
Total comprehensive expense for the year	-	(3,302)	(3,302)
At 31 December 2023	62,783	31,641	94,424
Loss for the year	-	(22,056)	(22,056)
Total comprehensive expense for the year	-	(22,056)	(22,056)
At 31 December 2024	62,783	9,585	72,368

The accompanying notes on pages 20 to 27 form part of these financial statements.

1. General information

Cummins PGI Holdings Ltd is a private company limited by shares incorporated, domiciled and registered in England, United Kingdom. The address of the registered office is given on page 1. The Company's principal activity is that of holding investments in subsidiaries of Cummins Inc.

2. Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company and rounded to the nearest £000. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

Going concern

The directors consider that the going concern basis of accounting continues to be appropriate due to the support of the Company's ultimate parent Cummins Inc., which has confirmed that it will enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of the signing of these financial statements.

Disclosure exemptions

The Company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Cummins Inc. which can be obtained from the address in note 17. As such, advantage has been taken of the disclosure exemptions available under paragraph 1.12 of FRS 102 and no cash flow statement has been presented for the Company.

The Company has taken advantage of the exemption from the Pillar Two Income Taxes disclosures, required under FRS 102, paragraph 29.2B, 29.12A, 29.26(g), 29.28 and 29.29 as the information is provided in the consolidated financial statement disclosures of Cummins Inc.

Amendments to FRS 102 not yet applied

The following amendments to FRS 102 have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated:

- Amendments to Section 7 Statement of Cash Flows (effective 1 January 2025). This introduces new disclosure requirements about supplier finance arrangements.
- Amendments to Section 20 Leases (effective 1 January 2026). This removes the distinction between operating and finance leases for lessees; with more leases recognised with an asset and liability on-balance sheet. Recognition exemptions permit short-term leases and leases of low-value assets to remain off-balance sheet.
- Amendments to Section 23 Revenue from Contracts with Customers (effective 1 January 2026). This introduces a single comprehensive five-step model for revenue recognition for all contracts with customers, based on identifying the distinct goods or services promised to the customer and the amount of consideration to which the entity will be entitled in exchange.
- Amendments to Section 2A Fair Value Measurement (effective 1 January 2026). This aligns definitions with latest international standards and provides additional guidance.
- Amendments to Section 26 Share-based Payment (effective 1 January 2026). This provides additional guidance aiding application of the principles in certain situations.
- Amendments to Section 29 Income Tax (effective 1 January 2026). This introduces guidance on accounting for uncertain tax positions
- Amendments to Section 34 Specialised Activities (effective 1 January 2026). This includes various improvements and clarifications to existing requirements and makes consequential changes to reflect other amendments.

Consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its ultimate parent undertaking is not established under the law of an EEA State.

3. Accounting policies (*continued*)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Investment impairment

Annually, the Company considers if any of its investments in subsidiaries are subject to any impairment indicators. Determining whether there are any impairment indicators for the Company's investments in subsidiaries requires the directors to make judgments as to whether the net assets of the subsidiary support the carrying value of the investment and whether internal reporting suggests that the subsidiary is performing worse than expected, among other considerations. The directors believe that there have been no adverse changes in the performance of the subsidiaries and therefore there have been no impairment indicators.

Further details of investments in subsidiaries are contained in note 10 to the financial statements. The carrying amount of investments in subsidiaries at the balance sheet date was £383,450,000 (2023: £383,450,000). There was no impairment loss recognised in the year (2023: £nil).

Taxation

Current tax including corporation tax and overseas tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments in subsidiary undertakings

The Company's investment in subsidiary undertakings is stated at historic cost, or nominal value of shares issued, adjusted for the value of any subsequent capital contribution, less provision for impairment. The directors perform impairment reviews where they identify indicators of impairment.

Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into, they are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

Interest receivable and payable

Interest receivable and similar income include interest receivable.

Interest payable and similar expenses include interest payable.

Interest receivable and payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes to the financial statements (*continued*)

Year ended 31 December 2024

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2024 £000	2023 £000
Foreign exchange differences	3,494	(12,215)

5. Auditors' remuneration

	2024 £000	2023 £000
Fees payable for the audit of the financial statements	16	15

6. Staff costs

The Company did not have any employees during the year (2023: none).

The emoluments of the directors are paid by Cummins Ltd. The directors' services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their service to Cummins Ltd.

7. Interest receivable and similar income

	2024 £000	2023 £000
Interest income	1,099	1,160

8. Interest payable and similar expenses

	2024 £000	2023 £000
Bank interest on loans and overdrafts	19,484	16,584

Notes to the financial statements (*continued*)

Year ended 31 December 2024

9. Tax on loss**Major components of tax expense**

	2024 £000	2023 £000
Adjustments in respect of prior periods	131	79
Tax on loss	131	79

Reconciliation of tax expense

The tax assessed on the loss before taxation is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%).

	2024 £000	2023 £000
Loss before taxation	(21,925)	(3,223)
Loss before taxation multiplied by rate of tax of 25.0% (2023: 23.5%)	(5,481)	(757)
Adjustments in respect of prior periods	131	79
Group losses not paid for	5,481	757
Total tax on loss	131	79

The Cummins Inc group, into which the Company consolidates, is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the Company is incorporated, and came into effect from 1 January 2024. The Group has assessed the availability of the transitional safe harbour rules for 2024 and it is expected that it will apply to all jurisdictions and therefore there is no current tax exposure for Pillar Two accrued in these statutory accounts for 2024. Furthermore, the group has assessed that should the safe harbour fail for the UK territory for any reason, there would be no current tax exposure material to these statutory accounts. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in amendments to FRS 102 Section 29 issued in July 2023.

10. Investments

	Shares in group undertakings £000
Cost	
At 1 January 2024	773,614
At 31 December 2024	773,614
Accumulated Impairment	
At 1 January 2024	(390,164)
At 31 December 2024	(390,164)
Carrying amount	
At 31 December 2024	383,450
At 31 December 2023	383,450

10. Investments (*continued*)

The following is a list of investments held by the Company:

	Registered office	Principal activity	% ordinary shares held
Newage Engineers GmbH	Bunsenstr.17 Ingolstadt Germany 85053	Holding company	99.99
Cummins Generator Technologies GmbH	Peter-Traiser-Strabe 1 64521 Gross-Gerau Germany	Design, manufacture, sale & distribution of AC generators	*99.99
Cummins Generator Technologies Romania SA	B-dul Decebal nr. 116A, Craiova Romania	Design, manufacture, sale & distribution of AC generators	*99.99
Cummins Norway AS	Osloveien 20 Postboks 97, N-1430 As Norway	Distributor of Cummins products	100
Cummins Holland BV	Olivijin 800 3316 KH Dordrecht The Netherlands	Distributor of Cummins products	100
Cummins Spain S L	Calle Vidrieros 9 San Fernando de Henares Madrid, 28830, Spain	Distributor of Cummins products	99.99
Cummins Romania S R L	27 Turistilor Street Unit C2 Building A Pitesti Highway Ilfov County Romania	Distributor of Cummins products	99.9
Cummins Turkey Motor Güç Sistemleri Satış Servis Limited Şirketi	Aydinli-Istanbul Anadolu Yakasi, Organize Sanayi Bolgesi (AYOSB), Mah. 1 Sok., Sitesi no 5 P.k: 34953 Tuzla	Distributor of Cummins products	99.5
Cummins Sweden AB	Ostra Bangatan 18 SE-195 60 Arlandastad, Sweden	Distributor of Cummins products	100
Eaton Cummins Automated Transmission Technologies S. de R.L. de C.V.	Juarez, Mexico	Develop and supply automated transmissions	*49.9
Cummins ESB Nigeria Ltd	Unit 6 Chancery Gate Bus Cntr. Stonefield Way South Ruislip Middlesex HA4 0JS	Manufacture of generator equipment	*100
Cummins Energy Solutions (Nigeria) Ltd	21 Adeniyi Jones Avenue Fanis House Ikeja Lagos State, Nigeria	Manufacture of generator equipment	*100
Cummins Motorenwerke Deutschland GmbH	Peter-Traiser 1 Gross-Gerau 64521 Germany	Manufacture and sale of Vehicle parts	*100

Cummins PGI Holdings Ltd

Notes to the financial statements (*continued*)

Year ended 31 December 2024

10. Investments (*continued*)

	Registered office	Principal activity	% ordinary shares held
PGI (Overseas Holdings) BV	Westerdoksdiijk 4231013 BX Amsterdam Netherlands	Holding company	100
Cummins Power Generation Deutschland GmbH	Odenwaldstrasse 23 Gross-Gerau 64521 Germany	Manufacture of generating equipment	*100
CMI PGI International Holdings LLC	500 Jackson Street MC 60113, Columbus, IN 47201, USA	Holding company	*100
Cummins Deutschland GmbH	Peter-Traiser-Strabe 1 64521, Gross-Gerau Germany	Distributor of Cummins products	*89.9
Cummins Italia SpA	Via Galileo Galigei 6 Avenza di Carrara Milano, 20068 Italy	Distributor of Cummins products	*99.9
Cummins Power Generation Limited	3rd Floor 10 Eastbourne Terrace Paddington, London W2 6LG, UK	Manufacture of generating equipment	*100
Cummins Arabia FZCO	Po Box 17636 Jebel Ali Freezone South Zone 2, Dubai, AE	Distributor of Cummins products	50
Cummins Sales and Service LLC	PO Box 54044 Al Quoz Ind Estate IV Dubai, AE	Distributor of Cummins products	*50
Cummins Engines and Parts Sales and Services LLC	Mussafah Industrial Area P.O. Box 37910 Abu Dhabi, AE	Distributor of Cummins products	*50
Cummins Saudi Arabia LLC	4791 - Al Khobar 34431 8644 King Abdul Aziz Road Al Khobar Kingdom of Saudi Arabia	Distributor of Cummins products	50
Cummins Kuwait W.L.L.	Shuwaikh Industrial Area 3 Block B, Bldg 3 & 4 Shop #3 Kuwait	Distributor of Cummins products	50
Cummins Electrified Power Europe Ltd.	Burness Paul LLP 50 Lothian Road Festival Square Edinburgh, EH3 9WJ, UK	Research and development of high voltage battery packs	100
NProxx BV	Vogt 21, 642 RK Heerlen, Netherlands	Research and development of Hydrogen storage	*50
NProxx GmbH	Stetternicher Staatsforst 5242 Julich Germany	Research and development of Hydrogen storage	*50
Eaton Cummins Automated Transmission Technologies SARL	Route de la Longeraie 7 Morges, Canton of Vaud 1110, Switzerland	Develop and supply automated transmissions	*50

* held indirectly

The directors believe that no impairment indicators have been identified in the current year for the material investments and the carrying value is supported by projected future cash flows.

Notes to the financial statements (*continued*)

Year ended 31 December 2024

11. Debtors due after more than one year

	2024 £000	2023 £000
Other debtors	12,684	17,165
	12,684	17,165

Other debtors comprise unsecured loans receivable from Cummins Arabia FZCO of £7.63m (2023: £10.31m), Cummins Saudi Arabia LLC of £3.21m (2023: £3.76m) and Cummins Kuwait W.L.L. of £1.85m (2023: £3.10m), interest is receivable on these loans of 3 Month LIBOR +1.5%.

12. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Bank overdrafts	322,258	306,097
Accruals and deferred income	1,508	94
	323,766	306,191

The bank overdraft arises on a cash pooling facility, is repayable on demand and interest is charged at bank base rate plus country risk premium. The overdraft is guaranteed by Cummins Inc.

13. Called up share capital**Issued, called up and fully paid**

	2024 No.	2024 £	2023 No.	2023 £
Ordinary shares of £1 each	62,783,077	62,783,077	62,783,077	62,783,077

14. Profit and loss account

Profit and loss account - this reserve records retained earnings and accumulated losses net of dividends and other adjustments.

15. Guarantees

The bank overdraft arises on a cash pooling facility, is repayable on demand and interest is charged at bank base rate plus country risk premium. The overdraft is guaranteed by Cummins Inc.

16. Related party transactions

As a subsidiary of Cummins Inc., the Company has taken advantage of the exemption in FRS 102, not to disclose transactions with other wholly owned members of the group headed by Cummins Inc.

There were no other related party transactions in the year (2023: none).

17. Controlling party

The Company's ultimate parent company and controlling party is Cummins Inc., a company incorporated in the state of Indiana, USA. The Company's immediate parent company is Cummins EMEA Holdings Limited, a company incorporated and registered in England & Wales.

The smallest and largest group in which the results of the Company are consolidated is Cummins Inc., the consolidated financial statements of which are available to the public and may be obtained from the following address:

Executive Director - Investor and Public Relations
Cummins Inc.,
(Mail Code 60915)
Box 3005
Columbus
Indiana, 47202-3005
United States of America

18. Commitments and contingencies

The Company has no capital commitments or contingent liabilities at the reporting date (2023: £nil).

19. Subsequent events

On 2 May 2025, the Company has paid the dividend of £623,000,000 to Cummins Generator Technologies Limited.

On 2 May 2025, the Company received the dividend of £623,000,000 from Cummins Limited.