This Statement of Investment Principles is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 and to reflect the Government's Voluntary Code of Conduct for Institutional Investment in the UK. The Trustee also complies with the requirements to maintain and take advice on the Statement and with the disclosure requirements.

Johnson Wax Retirement and Life Assurance Plan
Statement of Investment Principles

This Statement of Investment Principles ("SIP") covers the Final Salary section of the Plan.

Investment Objective

The Trustee aims to invest the assets of the Plan prudently to ensure that the benefits promised to members are provided. In setting investment strategy, the Trustee first considered the lowest risk asset allocation that it could adopt in relation to the Plan's liabilities. The asset allocation strategy it has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Plan's liabilities.

STRATEGY

The current **planned asset allocation strategy** chosen to meet the objective above is set out in the table below; the actual asset allocation may differ from this. The Trustee has set ranges around the planned asset allocation strategy, and has put in a place a rebalancing strategy whereby if the tolerance ranges for the Plan's Return Seeking and Risk Reducing assets are breached, the Investment Sub-Committee will convene and decide whether rebalancing should be carried out. In addition, the asset sub-class allocations are reviewed on a regular basis, and rebalanced where appropriate. Any rebalancing decision will take into account the investment adviser's current views on asset classes, the Plan's long term strategy, and the funding position at the time.

Asset Class	Weighting %	Range (+- %)
Short Dated Credit	6.0	
Total Return Seeking Assets	**6.0**	**3.0**
Pensioner LDI Portfolio	no set weight	
Non-Pensioner LDI Portfolio	no set weight	
Cash	2.0	
Total Risk Reducing Assets	**94.0**	**3.0**

From time to time tactical allocation decisions may be taken which result in assets being held which deviate from the above.

The planned asset allocation strategy was determined with regard to the actuarial characteristics of the Plan, in particular the strength of the funding position and the liability profile.

When choosing the Plan's asset allocation strategy, the Trustee considered written advice from its investment advisers and, in doing so, addressed the following:

- The need to consider a full range of asset classes.

- The risks and rewards of a range of alternative asset allocation strategies.
- The suitability of each asset class included in the planned investment strategy.
- The suitability of the possible styles of investment management.
- The need for appropriate diversification within asset classes and across asset classes.

RISK MEASUREMENT AND MANAGEMENT

The Trustee recognises that the key risk to the Plan is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustee has identified a number of risks which have the potential to cause deterioration in the Plan's funding level and therefore contribute to funding risk. These are as follows:

- The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors ("mismatching risk"). The Trustee and its advisers considered this mismatching risk when setting the investment strategy.
- The risk of a shortfall of liquid assets relative to the Plan's immediate liabilities ("cash flow risk"). The Trustee and its advisers will manage the Plan's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs, and a Cashflow Management Policy is set and reviewed at least annually.
- The failure by the fund managers to achieve the rate of investment return assumed by the Trustee ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund managers and on an ongoing basis thereafter.
- The failure to spread investment risk ("risk of lack of diversification"). The Trustee and its advisers considered this risk when setting the Plan's investment strategy.
- The possibility of failure of the Plan's sponsoring employer ("covenant risk"). The Trustee and its advisers considered this risk when setting investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

Due to the complex and interrelated nature of these risks, the Trustee considers the majority of these risks in a qualitative rather than quantitative manner as part of each formal investment strategy review (normally triennially). Some of these risks may also be modelled explicitly during the course of such reviews.

The Trustee measures and manages investment specific risks such as credit risk and market risk of the portfolio on a regular basis. In the case of market risk the Trustee makes the distinction between risks that arise from interest rate exposure, currency exposure and other price risk. All investments are subject to idiosyncratic price risks that arise from factors peculiar to that asset class or individual investment in addition to credit risk, currency risk and interest rate risk.

Before investing in any asset class or entrusting the Plan's assets to the management of a particular manager, the Trustee takes advice from their investment adviser. The decision as to whether to invest in a particular security is delegated to the investment managers within specified investment restrictions.

The purpose of accepting these risks is to ensure that, when considered as a whole, the assets of the Plan have a suitably diversified portfolio in terms of the type of risk taken and the sources of expected future returns.

These risks are managed by ensuring that the portfolio is well diversified both across asset classes and within each asset class. In addition, the Trustee takes advice from their investment adviser as to the continuing suitability of the asset classes and managers in which they invest.

The Trustee receives regular reports from their fund managers and investment adviser setting out the nature and extent of the risks in the Plan's assets.

IMPLEMENTATION

The fund manager structure and investment objective are as follows:

LGIM

- **Liability Driven Investment Mandate:** The Plan has two LDI portfolios with LGIM which aim to achieve a 100% matching (interest and inflation hedges) of the pensioner and also non-pensioner liabilities. This is achieved through investments in physical gilts, index-linked gilts and corporate bonds (no derivatives or leverage). The pensioner portfolio operates under an Enhanced Service Agreement ("ESA") arrangement, which means LGIM hold responsibility for monitoring and maintaining the agreed level of hedging. The non-pensioners portfolio does not operate under an ESA.
- **Short-Dated Sterling Corporate Bond Index Fund:** To perform in line with the benchmark.
- **Sterling Liquidity Fund:** To perform in line with the benchmark.

LGIM is paid on a percentage of the assets it manages for the Plan.

Arrangements with asset managers

The Trustee monitors the Plan's investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee's policies. This includes monitoring the extent to which asset managers:

- Make decisions based on assessments about medium- to long-term financial performance of an issuer of debt or equity; and

- Engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustee is supported in this monitoring activity by their investment adviser.

The Trustee also receives annual stewardship reports on the monitoring and engagement activities carried out by their asset managers, which supports the Trustee in determining the extent to which the Plan's stewardship policy has been followed throughout the year.

The Trustee shares the policies, as set out in this SIP, with the Plan's asset managers, and request that the asset managers review and confirm whether their approach is in alignment with the Trustee's policies.

Before appointment of a new asset manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the asset managers by other means and regular monitoring of asset managers' performance and investment strategy, is in most cases sufficient to incentivise the asset managers to make decisions that align with the trustees' policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where asset managers are considered to make decisions that are not in line with the Trustee’s policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the manager but could ultimately replace the asset manager where this is deemed necessary.

GENERAL INVESTMENT POLICY

Aon Investments Limited ("AIL") has been selected as investment adviser to the Trustee. They operate under an agreement to provide services as requested by the Trustee. The investment advice provided in desired areas is designed to ensure that the Trustee is briefed both to take the decisions itself and to monitor those it delegates. They are paid on a fixed fee or a time cost basis as agreed from time to time. This structure has been chosen to ensure that cost-effective, independent advice is received.

The Trustee expects all day-to-day decisions about the investments that fall within each pooled investment mandate, including the realisation of investments, to be managed by the relevant fund manager. When choosing investments, the Trustee and the fund manager (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4).

Environmental, Social and Governance (ESG) considerations

In setting the Plan's investment strategy, the Trustee's primary concern is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. These include the risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly. The Trustee considers this risk by taking advice from their investment adviser when setting the Plan's asset allocation, when selecting managers and when monitoring their performance.

The Trustee will review its ESG approach from time to time and following any significant changes in regulation and best practice.

Stewardship – Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its investments reside. The Trustee recognise that ultimately this protects the financial interests of the Plan and its beneficiaries.

The Trustee delegates all stewardship activities, including voting and engagement, to its appointed investment manager. The Trustee accepts responsibility for how the investment manager steward assets on its behalf, including the casting of votes in line with the manager's voting policy.

The Trustee expects the Plan's investment manager to use its influence as major institutional investor to carry out the rights and duties as a shareholder, including exercising voting rights along with – where relevant and appropriate – engaging with underlying investee companies on ESG considerations and other relevant matters (such as the companies' performance, strategy, risks, capital structure, and management of conflicts of interest).

The Trustee reviews its manager's voting and engagement policy and activities on an annual basis. The Trustee reviews these factors to check they are aligned with expectations and can reasonably be considered to be in the best interests of the

Trustee, and therefore also in the members' best interests. The Trustee expects that its investment manager will provide details of its stewardship activities on an annual basis and will monitor this with input from their investment consultant. The Trustee will engage with its investment manager where necessary for more information. Prospective managers are required to provide this information in advance of their appointment.

If the Trustee's monitoring reveals that the investment manager's voting or engagement policy, or its stewardship actions are not aligned with the Trustee's expectations, the Trustee will engage with the manager, via different medium such as emails and meetings, to seek a more sustainable position, but it may look to replace the manager.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage with an issuer of debt or equity, an asset manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Members' Views and Non-Financial Factors

In setting and implementing the Plan's investment strategy the Trustee does not explicitly consider the views of Plan members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (defined as "non-financial factors").

Costs and Transparency

The Trustee is aware of the importance of monitoring their asset manager's total costs and the impact these costs can have on the overall value of the Plan's assets. The Trustee recognises that in addition to annual management charges, there are other costs incurred by the asset manager that can increase the overall cost incurred by their investments.

The Trustee collects annual cost transparency reports covering all of their investments and ask that the investment manager provides this data in line with the appropriate Cost Transparency Initiative ("CTI") template for each pooled fund. This allows the Trustee to understand exactly what the Plan is paying the asset manager. The Trustee works with their investment adviser and asset manager to understand these costs in more detail where required.

The reports will set out the following on an itemised basis:

- The total amount of investment costs incurred by the Plan;

- The fees paid to the asset manager;

  - The amount of portfolio turnover costs (transaction costs) incurred by the asset manager;

- The Trustees define portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the pooled funds;

- Any charges incurred through the use of pooled funds (custody, administration, and audit fees)

- The impact of costs on the investment return achieved by the Plan.

The Trustee acknowledges that portfolio turnover costs are a necessary cost in order to generate investment returns and that the level of these costs varies across asset classes and pooled funds. A high level of transaction costs is acceptable so long as it is consistent with the asset class characteristics, manager’s style and historic trends. Where the Trustee’s monitoring identifies a lack of consistency, the mandate will be reviewed.

The Trustee is supported in their cost transparency monitoring activity by their investment adviser.

GOVERNANCE

The Trustee is responsible for the investment of the Plan's assets. The Trustee takes some decisions itself and delegates others. When deciding which decisions to take itself and which to delegate, the Trustee has taken into account whether it has the appropriate training and expert advice in order to take an informed decision. The Trustee has established the following decision making structure:

Trustee • Monitor actual returns versus Plan investment objectives and consider the ongoing suitability of the investment strategy in relation to Plan objectives. • Set structures and processes for carrying out its role, including the appointment of an Investment Sub-Committee with defined roles and delegated authority. • Select and monitor planned asset allocation strategy. • Select investment structures and oversee their implementation. • Select and review direct investments (see below), including taking into account ESG related considerations. • Select and monitor investment advisers and fund managers. Continued appointment for asset managers is reviewed periodically.
Investment Adviser • Advise on all aspects of the investment of the Plan's assets, including implementation. • Advise on this Statement. • Provide required training for the Trustee Directors. • Monitor the Plan's asset allocation on a monthly basis, and provide recommendations to the Trustee Directors regarding rebalancing decisions. • Closely monitor the Plan's fund managers and report to the Trustee any issues that may arise, including in relation to the fund managers ESG policies and related decisions as appropriate.
Fund Managers • Operate within the terms of their policy documents. • Select individual investments with regard to their suitability and diversification. • Advise Trustee on suitability of the indices in its benchmark. • Take into account socially responsible investment criteria. • Exercise any voting rights and carry out appropriate corporate governance with regard to the financial potential of the Plan's assets.

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager under a written contract and those where a product is purchased directly, eg the purchase of an insurance policy or units in a pooled vehicle. The latter are known as **direct investments.**

The Trustee's policy is to regularly review its direct investments and periodically to obtain written advice about them. These include vehicles available for members' contributions in members' AVCs in the final salary section. When deciding whether or not to make any new direct investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the fund managers.

The written advice will consider the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this statement. The regulations require all investments to be considered by the Trustee (or, to the extent delegated, by the fund managers) against the following criteria:

- The best interests of the members and beneficiaries
- Security
- Quality
- Liquidity
- Profitability
- Nature and duration of liabilities
- Tradability on regulated markets
- Diversification
- Use of derivatives

The Trustee's investment adviser, AIL has the knowledge and experience required under the Pensions Act 1995.

The Trustee will review this SIP at least every three years and immediately following any significant change in investment policy. The Trustee will take investment advice and consult with the Sponsoring Employer over any changes to the SIP.

Date: 27 February 2025

For and on behalf of Johnson Wax Pension Trustee Co Ltd for the Johnson Wax Retirement & Life Assurance Plan

SECTION 2

Version Control Record

The following table records changes to this document:

1			6 April 1997
2			1 January 1999
3			18 November 1999
4			1 June 2000
5			19 February 2004
6	O:\Client\Johnson Wax\Johnson Wax 2007 SIP-draft2.doc	Updated for revised strategic weightings.	12 June 2007
7	O:\Client\Johnson Wax\Johnson Wax 2008 SIP-draft3.doc	Updated wording in Prudential FI fund	9 October 2008
	O:\Client\Johnson Wax\Johnson Wax SIP_tracked – 31 July 2009	Updated to reflect the appointment of MFS and Skagen	
	O:\Client\Johnson Wax\Johnson Wax SIP_tracked_v2 – 13 Nov 2009	Updated to reflect the decision to invest in property	
8	O:\Client\Johnson Wax\Johnson Wax SIP_tracked_v5	Updated to reflect the appointment of Threadneedle	17 December 2009
	O:\Client\Johnson Wax\Johnson Wax SIP_April_2009_tracked – 20 April 2010	Updated to reflect the changes to the Plan's rebalancing policy and the replacement of Skagen with Aberdeen	
9	O:\Client\Johnson Wax\Johnson Wax SIP_May_2009_tracked	Updated to reflect the rebalancing of asset sub-classes and changes to Prudential's Cash fund	13 May 2010
10	O:\Clients\Johnson Wax\SIP\FINALSIP December 2011	Updated to reflect the dynamic investment strategy	8 December 2011
11	O:\Clients\Johnson Wax\SIP\Draft SIP October 2012	Updated to reflect the revised strategic allocation (removal of TAA fund)	
12	O:\Clients\Johnson Wax\SIP\Draft SIP November 2013	Updated to reflect revised strategic allocation due to trigger strategy	20 November 2013

13	O:\CLIENTS\Johnson Wax\SIP\DraftTracked SIP March 2015.doc	Updated to reflect revised strategic allocation and addition of new funds in the Money Purchase section	20 March 2015
14	O:\CLIENTS\Johnson Wax\SIP\DraftTracked SIP August 2015.doc	Updated to reflect the replacement of Aberdeen with Dodge & Cox	17 August 2015
15	O:\CLIENTS\Johnson Wax\SIP\DraftTracked DB and DC SIP 12 February 2016.doc	Updated to include risk statements in relation to new SORP requirements	12 February 2016
16	O:\CLIENTS\Johnson Wax\SIP\ DB SIP FINAL 1 April 2016.doc	New DB only SIP (DC SIP is now separate)	1 April 2016
17	O:\CLIENTS\Johnson Wax\SIP\ DB SIP FINAL 1 March 2017.doc	LGIM replaces BlackRock as LDI manager, strategy changed due to triggers being hit	1 March 2017
18	O:\CLIENTS\Johnson Wax\SIP\2019\DB SIP September 2019.doc	Updated section on ESG considerations and revised strategic asset allocation	11 September 2019
19	O:\CLIENTS\Johnson Wax\SIP\2020\DB SIP June 2020.doc	Updated section on engagement with managers and costs and transparency	13 August 2020
20	O:\CLIENTS\Johnson Wax\SIP\2021\DB SIP August 2021.doc	Updated asset allocation and Plan managers to reflect new strategy that now includes LGIM short dated credit	24 August 2021
21	D:\Johnson Wax\SIP\2023\ Johnson Wax - SIP September 2023 v2.0.doc	Updated to reflect 2022 guidance from DWP regarding stewardship	5 September 2023
22	D:\Johnson Wax\SIP\2024\Johnson Wax - - SIP February 2025.doc	Updated asset allocation to reflect new strategy with equities removed	18 February 2025