

The Leggett & Platt UK Pension and Assurance Scheme

Statement of Investment Principles – April 2026

1. Background

The Trustees of the Leggett & Platt UK Pension and Assurance Scheme (the “Scheme”) have drawn up this Statement of Investment Principles (the “Statement”) to meet the requirements of the Pensions Act 1995 as amended by the Pensions Act 2004 and the subsequent regulations, and the Occupational Pension Schemes (Investment) Regulations 2005, as amended from time to time. It has been prepared in accordance with applicable guidance from The Pensions Regulator. As required under the Act, the Trustees have consulted a suitably qualified person in obtaining written advice from Mercer Ltd. The Statement sets out the principles that govern decisions about the investment of the Scheme’s assets. The Trustees, in preparing this Statement, have also consulted Pullmaflex UK Limited (the “sponsoring Company”).

The Trustees’ investment responsibilities are governed by the Scheme’s Trust Deed and Rules dated 19 September 1996: a copy of clause 5, of which this Statement takes full regard, is attached. If necessary, the Trustees will take legal advice regarding the interpretation of this document. The Trustees investment powers are set out in the Scheme’s governing documentation.

The Trustees will review this Statement at least every three years, and without delay if there are significant changes to the legislative framework or if there are relevant, material changes to the Scheme and/or the Company. These include changes in the Scheme’s liabilities and finances and in the attitude to risk of the Trustees or the Company.

2. Investment Objectives, Risk and Strategy

Overall investment policy falls into two parts. The strategic management of the assets is fundamentally the responsibility of the Trustees (acting on advice as it deems appropriate) and is driven by their investment objectives as set out in Section 2.1 below. The remaining elements of policy are part of the day-to-day management of the assets which is delegated to professional investment managers, described in Section 3.

2.1 Investment Objectives

To assist it in the strategic management of the assets and control of the various risks to which the Scheme is exposed, the Trustees have considered their primary objectives and adopted the following:

- To meet the obligations to the beneficiaries of the Scheme.
- To pay due regard to the interests of the sponsoring Company in the size and incidence of the sponsoring Company’s contribution payments.

- To provide benefits in full as they fall due and reduce the dependency of the Scheme on excess investment return.

The Trustees are aiming to restore and then maintain a funding level of, or in excess of, 100% on an ongoing basis through the adoption of a prudent funding and investment strategy. The aim will be to take on an investment risk in a controlled way. In addition to this, as the funding position improves, the aim is to gradually reduce the level of investment risk taken such that over the longer term the majority of the investment risk should be removed and the funding position restored.

2.2 Investment Risk

There are various risks to which the Scheme is exposed. The Trustees' policy on risk management regarding investments is as follows:

- The Trustees' pay regard to the primary risk which may arise through a mismatch between the Scheme's assets and liabilities. The Trustees recognise that whilst increasing risk increases potential returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover the Scheme's liabilities as well as producing more short-term volatility in the Scheme's funding position.
- The Trustees recognise the risks that may arise from the lack of diversification of investments. Subject to managing the risk from a mismatch of assets and liabilities, the Trustees aim to ensure the asset allocation policy in place results in an adequately diversified portfolio.

The following risks are also recognised by the Trustees and have been considered:

- The Trustees accept that there is a risk in holding assets which cannot easily be sold should the need arise, although such assets should be fairly insignificant in size.
- The risk of deterioration of the Scheme's ongoing funding level.

In order to help manage these risks the following controls have been put in place:

- The documents governing investment manager appointments include a number of guidelines which, among other things, ensure that only suitable investments are held by the Scheme.
- Arrangements are in place via the Trustees investment advisor to monitor the Scheme's investments to help the Trustees check that nothing has occurred that would bring into question the continuing suitability of the current investments.
- The safe custody of the Scheme's assets is delegated to professional custodians (via the use of pooled vehicles).

Should there be a material change in the Scheme's circumstances, the Trustees will review whether and to what extent the investment arrangements should be altered; in particular, whether the current risk profile remains appropriate.

2.3 Investment Strategy

The Trustees have determined their investment strategy after considering the Scheme's liability profile and requirements of the Statutory Funding Objective. When assessing the risk appetite and risk capacity, the Trustees considered a range of qualitative and quantitative factors including the strength of the sponsoring Company's covenant and how this may change in the near/medium future, the sponsoring Company's appetite for risk and finally, the views of the sponsoring Company on the investment strategy. Before investing in any manner, the Trustees obtained and considered proper written advice from their Investment Advisor on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriate diversified investments.

The basis of the Trustees' investment strategy is to divide the Scheme's assets between a "Growth" portfolio, comprising diversified growth and global equity funds, and a "Stabilising" portfolio, comprising assets such as government and corporate bonds, and also a Sterling Liquidity Fund.

The Growth-Stabilising allocation is set with regard to the overall required return objective of the Scheme's assets, which is determined by the funding objective, the current funding level, and the desire to mitigate risk through hedging of the Scheme's interest rate and inflation risks, taking consideration of the instruments being used to hedge these risks.

The Trustees monitor the appropriateness of the strategy currently followed. In addition, where appropriate, the Trustees obtain advice from their Investment Advisor.

In the longer term the Trustees expect to reduce the Scheme's exposure to growth assets in recognition of the fact that the Scheme has a maturing liability profile.

2.4 Investment Returns

The expected return on investments will be in line with the target investment strategy, as set out in 3.1.

3. Day to Day Management of the Assets

3.1 Main Assets

The Trustees invest the main assets of the Scheme in a portfolio of institutional pooled funds managed passively by Legal & General Assurance (Pensions Management) Ltd ("L&G") with the exception of the Diversified Growth Fund which has assets that may be managed on an active basis. The Trustees believe passively managed pooled funds for their bond and equity holdings are the most appropriate option for the Scheme whilst allowing the investment manager to take active positions to add value within the Diversified Growth Fund.

The benchmarks for each of the funds within the Growth and Stabilising portfolio is as follows:

Investment Fund	Benchmark Index	Strategic Allocation %	Ranges +/- %
Growth portfolio	N/A	10.0%	5.0%
Diversified Growth Fund	FTSE Developed World Index – 50% GBP Hedged	5.0%	5.0
FTSE RAFI All World 3000 Equity Index Fund	FTSE RAFI All World 3000	5.0%	5.0
Stabilising portfolio	N/A	90.0%	10%
Over 15 Year Gilts Index Fund	FTSE-A Gilt (Over 15 Year)	18.4%	10.0
Investment Grade Corporate Bond – Over 15-year Index Fund	iBoxx £ Non-Gilt 15 Year +	18.2%	10.0
Over 5 Year Index-Linked Gilts Index Fund	FTSE-A Govt. Index-Linked (Over 5 Year)	20.3%	10.0
0 to 5 Year Gilts Index Fund	FTSE Actuaries UK Conventional Gilts up to 5 Years Index	16.1%	10.0
Sterling Liquidity Fund	Sterling Overnight Index Average (SONIA)	17.1%	10.0

The performance objective for the passive equity and bonds funds is to achieve a return closely in line with its respective benchmark index.

The objective of the Diversified Growth Fund, is to perform broadly in line with the benchmark index over the long-term, with around two thirds of the volatility of equities. In the short-term, the performance of the Diversified Growth Fund will deviate from the performance of its benchmark index.

3.2 Rebalancing

The Trustees are satisfied that there should be no automatic rebalancing policy in place. Instead, the Trustees will use the reporting provided by Mercer to determine if any rebalancing will be required. The Trustees recognise that the Stabilising portfolio is primarily intended to move in line with the liabilities of the Scheme and therefore rebalancing may not always be appropriate.

3.3 Suitability

The Trustees have taken advice under Section 36(3) of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended), from the Investment Consultant Mercer to ensure that the investments are suitable for the Scheme.

3.4 Custodial Arrangements

The safe custody of the Scheme's assets is delegated to professional custodians (via the use of pooled vehicles).

3.5 Realisation of Investments

The Trustees have put in place a suitable procedure for managing the Scheme's cashflows.

For avoidance of doubt, this Statement will not be revised purely in relation to a change in cashflow policy.

4. Additional Voluntary Contributions ("AVCs")

The Scheme previously had arrangements for members to invest AVCs with Standard Life Assurance Company and the Prudential Assurance Company Ltd.

Contributions to these AVC arrangements ceased when the Scheme closed to future accrual with effect from 1 January 2008.

5. Financially Material Considerations

The Trustees recognise that they must consider all factors that have the ability to impact the financial performance of the Scheme's investments over the appropriate time horizon. Such risks are set out in the next section of this Statement.

The Trustees believe that environmental, social, and corporate governance ("ESG") factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustees consider how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis.

6. Non-Financial Considerations

Member views are not taken into account in the selection, retention and realisation of investments.

The Trustees have not set any investment restrictions on the investment managers in relation to particular products or activities.

7. Engagement with the Investment Manager

The policy in relation to the Trustees' arrangements with their investment managers are set out below.

A. Incentivising the asset manager to align the investment strategy and decisions with the Trustees policies:

In line with Section 2.3 of the SIP, the investment manager is appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.

The Trustees look to their Investment Advisor for their forward-looking assessment of a manager's ability to outperform over a full market cycle. This view will be based on the Investment Advisor's assessment of the investment manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund that the Scheme invests in. The Investment Advisor's manager research ratings assist with due diligence and questioning investment managers during presentations to the Trustees and are used in decisions around selection, retention and realisation of manager appointments.

If the investment objective of a particular fund changes, the Trustees will review the fund appointment to ensure it remains appropriate and consistent with the Trustees' wider investment objectives.

The Scheme's investment mandates with L&G are reviewed following periods of sustained tracking error from their respective benchmarks. The Trustees will review the appropriateness of using active and passive managed funds (on an asset class basis) on an ad-hoc basis.

As the Trustees invest in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

- B. Incentivising the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of a holding company, and to engage with holding companies in order to improve their performance in the medium to long-term:

The Trustees will consider the Investment Advisor's assessment of how the investment manager embeds ESG into the investment process and how the investment manager's responsible investment philosophy aligns with the Trustees' responsible investment policy. This includes the investment managers' policy on voting and engagement.

The Trustees will meet with the investment manager at Trustees' meetings if required and may challenge decisions made including voting history and engagement activity.

The Trustees delegate all voting and engagement activities to the investment manager. When required the Trustees will question the investment managers' voting decisions if they deem them out of line with the investment fund's objectives or the objectives / policies of the Scheme.

The Investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustees are dissatisfied, then they will look to replace the investment manager.

- C. Aligning the evaluation of the asset manager's performance and the remuneration for asset management services with the Trustees' policies:

The Trustees receive investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year, 3 years, 5 years and since inception. The Trustees review the absolute performance, relative performance against a suitable index used as the benchmark, and against the investment manager's stated tracking error (over the relevant time period).

If the investment manager is not meeting their investment objectives or their requirements for the mandate have changed, the Trustees may review the mandate and review the annual management charge levied by the manager. The Trustees may also review the mandate should the manager breach any investment guidelines.

- D. Monitoring portfolio turnover costs incurred by the asset manager:

The Trustees receive MiFID II reporting from their investment manager but do not analyse the information.

The Trustees do not currently monitor portfolio turnover costs but may look to do so in the future.

E. The duration of the arrangement with the asset manager:

The Trustees are long term investors and are not looking to change the investment arrangements on a frequent basis.

The funds invested in are open-ended funds and therefore there is no set duration for the manager appointments. The Trustees will retain an investment manager unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;
- The investment manager appointment has been reviewed, and the Trustees have decided to terminate.

7. Fee Structures

The investment manager is remunerated by ad valorem charges based on the value of assets that they manage on behalf of the Scheme.

The Trustees have agreed Terms of Business with the Scheme's actuarial and investment advisors under which work is charged for by an agreed fixed fee or on a "time-cost" basis.

8. General Restrictions

No direct investment in segregated arrangements is permitted in securities issued by the Company, or property owned by or leased to the Company. The agreement with each investment manager may contain more detailed restrictions that have been agreed and can only be changed with the consent of the Trustees.

9. Compliance with this Statement

The Trustees will monitor compliance with this Statement regularly on the advice of their Investment Advisor, Mercer, on a project-by-project basis and will record compliance with it at that time.

10. Review of this Statement

The Trustees will review this Statement in response to any material changes to any aspects of the Scheme, its liabilities, finances and the attitude to risk of the Trustees and the sponsoring Company, which they judge to have a bearing on the stated Investment Policy. Mercer, the Scheme's Investment Advisor, employed on a project basis, will provide the advice needed to allow the Trustees to review and update this Statement no less frequently than every three years to coincide with the Actuarial Valuation. Any such review will again be in consultation with the sponsoring Company.

Approved by the Trustees on 10 April 2026