

Annual Implementation Statement – for plan year ending 31 December 2023

The Sealed Air UK Pension Plan

Introduction and purpose to this statement

This document is the Annual Implementation Statement (“the statement”) prepared by the Trustee of The Sealed Air UK Pension Plan (the “Plan”) covering the plan year to 31 December 2023.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the engagement policy under the Plan’s Statement of Investment Principles (“SIP”) has been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

A copy of this implementation statement will be made available on the following website <https://epa.towerswatson.com/accounts/SLD/public/scheme-information/> and included in the Trustee’s annual report and plan accounts for the year to 31 December 2023.

Review of the SIP and changes made during the Plan year

The SIP was last reviewed in April 2022 after which it was formally adopted by the Trustee following consultation with the Company . It reflected the decision of the Trustee to increase the inflation hedge ratio to 85%, in line with the interest rate hedge ratio, to better protect the Plan against movements in inflation.

There have been no changes to the SIP during the period ending 31 December 2023.

Adherence to the SIP

Overall, the Trustee believes the policies outlined in the SIP have been adhered to during the Plan year. The remaining parts of this Implementation Statement set out details of how this has been achieved. These details relate to those parts of the SIP which set out the Trustee’s policies, and not those which are statements of fact.

Trustee's voting and engagement policy

The Trustee's policies on voting and engagement, as stated in the SIP, are as follows:

- The Trustee will generally take account of financially material considerations, over the period that the Trustee considers is needed for the funding of benefits by the investments of the Plan. This may include (but is not necessarily limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change.
- In practice, as the Plan only requires a modest return in excess of gilts to meet its long term self-sufficiency goal, the majority of the Plan's assets are already invested in bulk annuities with the balance of the Plan's investable assets invested in liability-driven investment (LDI) and a diversified growth fund. Furthermore, over time the Plan is expected to de-risk further into LDI and bulk annuities as it closes in on the self-sufficiency goal. Therefore, ESG considerations are only expected to impact a small minority of the portfolio and so have limited financial impact on the Plan.
- The Trustee has therefore taken a proportionate approach to ESG considerations. Specifically, the Plan's return-seeking portfolio is invested in the LGIM Diversified Fund which adopts a variety of index-tracking strategies. The Trustee expects that, as part of their wider governance of these funds, and as one of the largest investors in the UK, LGIM will continue their long standing approach to stewardship - including engagement with firms and exercise of voting rights. The responsibility of exercising and directing voting rights acquired through Plan investments is delegated to LGIM, as the assets are invested in pooled funds. The Trustee will monitor LGIM in this regard from time to time.
- Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Trustee will engage with the manager further to encourage alignment. This monitoring process includes specific consideration of the sustainable investment/ESG characteristics of the portfolio and managers' engagement activities. If, following engagement, it is the view of the Trustee that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

Voting information on the Plan's LDI funds is not provided since the vast majority of debt securities do not come with voting rights.

The Plan's investment managers are signed up to the UK FRC Stewardship Code and the Trustee monitors the Plan's investment managers' adherence to the Code. The latest statements of compliance for LGIM can be found via the link below:

LGIM: <https://www.lgim.com/uk/en/capabilities/investment-stewardship/>

Summary of voting over the year to 31 December 2023

A summary of the votes made by LGIM on behalf of the Trustee over the year to 31 December 2023 is provided in the table below:

Manager and strategy	Portfolio structure	Voting activity
Legal and General Investment Management – Diversified Fund	Fund of funds	<ul style="list-style-type: none">• Number of meetings at which the manager was eligible to vote: 9,077• Number of resolutions on which manager was eligible to vote: 94,290• Percentage of eligible votes cast: 99.82%• Percentage of votes with management: 76.36%• Percentage of votes against management: 23.36%• Percentage of votes abstained from: 0.28%• Of the meetings the manager was eligible to attend, the percentage where the manager voted at least once against management: 75.40%• Of the resolutions where the manager voted, the percentage where the manager voted contrary to the recommendation of the proxy advisor: 14.62%

Significant votes

The table below sets out a couple of the more significant votes cast on behalf of the Plan over the year to 31 December 2023

Fund	Most significant votes cast
LGIM Diversified Fund	<p><u>Company: Amazon.com, Inc.</u></p> <p><u>Meeting date: 24 May 2023</u></p> <p>1. Shareholder resolution: Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps</p> <p>How the manager voted: For (Against Management recommendation)</p> <p>Rationale: A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.</p> <p>Implications: LGIM will continue to engage with the company and monitor progress.</p>
LGIM Diversified Fund	<p><u>Company: Schneider Electric SE</u></p> <p><u>Meeting date: 4 May 2023</u></p> <p>1. Shareholder resolution: Resolution 17 - Approve Company's Climate Transition Plan</p> <p>How the manager voted: Against (Against Management recommendation)</p> <p>Rationale: Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.</p> <p>Implications: LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.</p>

Meetings with managers

During the Plan year, the Trustee met with the investment managers as follows:

- BlackRock on 25 January 2023
- LGIM on 26 April 2023

Since the Plan year-end, the Trustee has met with the investment managers as follows:

- BlackRock on 24 April 2024

At these meetings, the managers' approach to voting and engagement on sustainable investment and ESG matters were discussed, along with a variety of other topics.

Trustee's opinion

Based on the voting summaries set out above and their meetings with the managers, the Trustee's opinion is that the Statement of Investment Principles has been followed during the year to 31 December 2023 in relation to voting and engagement.

The Trustee of The Sealed Air UK Pension Plan

July 2024