

# **The Amari PLC Pension and Life Assurance Plan Implementation Statement for the year ended 31 July 2024**

## **Purpose**

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The Trustees of The Amari PLC Pension and Life Assurance Plan (the 'Plan') currently invest the Plan's assets in two pooled funds, both of which are managed by abrdn Investment Management Limited ('aIML'), the Plan's investment manager. Growth assets are invested in the Standard Life Managed Pension Fund, and matching assets in the Standard Life Vanguard UK Long Duration Gilt Index Pension Fund.

This report provides information on how, and the extent to which, the Trustees of the Plan have followed their policy in relation to the exercising of rights (including voting rights) attached to the Plan's investments, and engagement activities, during the year ended 31 July 2024 ("the reporting year"). In addition, the report provides a summary of the investment manager's voting behaviour and examples of significant votes cast and engagements during the reporting year.

## **The Trustees' policy**

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The Trustees' policy is documented in the Statement of Investment Principles ('SIP') dated 30 September 2020.

The Trustees believe that there can be financially material risks relating to environmental, social and governance ('ESG') issues, including but not limited to climate change. The Trustees have delegated the ongoing monitoring and management of ESG risks (including but not limited to those related to climate change) to the Plan's investment manager. The Trustees require the investment manager to take these risks into consideration within its decision-making, recognising that how it does this will be dependent on factors including the characteristics of the asset classes in which it invests.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the investment manager and encourage it to engage with investee companies and vote whenever it is practicable to do so on financially material matters including those deemed to include a material ESG risk (including but not limited to a risk related to climate change) in relation to those investments.

## **Manager selection exercises**

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One of the main ways in which this policy is expressed is via investment manager selection exercises. The Trustees seek advice from XPS Investment Limited, the Plan's investment advisers, on the extent to which their views on ESG risks (including but not limited to those related to climate change) may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

## **Ongoing governance**

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The Trustees, with the assistance of XPS Investment Limited, monitor the processes and operational behaviour of the Plan's investment manager from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in the SIP and this report.

During the year the Trustees requested specific examples of engagement outcomes in respect of underlying companies from the investment manager, and these are detailed later in this report.

Beyond the governance work currently undertaken, the Trustees believe that their approach to, and policy on, ESG matters (including but not limited to matters related to climate change) will evolve over time based on developments within the industry and, at least partly, on a review of data relating to voting and engagement activities conducted annually.

## Adherence to the SIP

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

## Voting activities

The main asset class where the investment manager will have voting rights is equities. The Plan has an allocation to equities through the Standard Life Managed Pension Fund in which the Plan invests; around 67% of this Fund is invested in UK and global equities.

aML is part of the abrdn investment group. abrdn states that it seeks to generate the best long-term outcomes for clients and will actively take steps as stewards and owners to protect and enhance the value of its clients' assets. abrdn generally meets representatives of investee companies at least once a year, while also routinely engaging on voting issues. If necessary, abrdn will escalate an issue to ensure its views are represented by those with appropriate seniority and experience.

abrdn has provided the summaries below regarding the organisation's voting behaviour and examples of significant votes cast in relation to the Standard Life Managed Pension Fund.

## Summaries provided by abrdn of voting activities

*Disclaimer: All voting information, and descriptions and examples of "significant votes", are provided by abrdn for the 12-month period to 31 July 2024. Neither the Trustees nor XPS Investment Limited have vetted this information or these descriptions or examples. These summaries have been provided by abrdn and any reference to "our", "we", "us" etc. within these summaries is from abrdn's perspective.*

### Standard Life Managed Pension Fund: voting information

We voted on 97.01% of resolutions on which we were eligible to vote out of 12,757 eligible votes.

### abrdn's voting policy

abrdn's voting policy can be found on our website at:

[https://vds.issgovernance.com/repo/2024/policies/Listed\\_Company\\_Stewardship\\_Guidelines.pdf](https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf)

abrdn makes use of the Institutional Shareholder Service ('ISS') for proxy voting research and voting recommendations. This is alongside our own analysis from AGMs and other shareholder meetings. We seek to discuss any vote against a resolution with the applicable company beforehand to explain our reasons for doing so.

### Description of "significant votes" in relation to the Standard Life Managed Pension Fund

At abrdn we view all votes as significant and vote all shares globally for which we have voting authority, unless there are significant voting obstacles such as shareblocking. In line with the requirements of the Pensions and Lifetime Savings Association (PLSA), we identify and record what we deem to be the most significant votes across all our holdings. We have identified five categories of votes we consider as significant and have ordered these based on our view of their importance. This enables us to provide a specified number of votes across a client's portfolio upon request. Members of our Central ESG Investment Function carry out a monthly review to identify and categorise significant votes. These categories and details of the underlying votes captured are as follows:

#### Significant Vote Category 1 ('SV1'): High Profile Votes

- Focus on votes which received public and press interest with a focus on our large, active holdings
- Focus on votes which reflect significant governance concerns regarding the company
- Resolutions proposed by abrdn

#### Significant Vote Category 2 ('SV2'): Shareholder and Environmental & Social ('E&S') Resolutions

- Votes on shareholder E&S proposals where we have engaged with the proponent or company on the resolution
- Votes on management-presented E&S proposals
- Focus on shareholder proposals where we have voted contrary to management recommendations

#### Significant Vote Category 3 ('SV3'): Engagement

- Focus on resolutions where we have engaged with the company on a resolution
- Focus on resolutions where post-engagement we voted contrary to custom policy

#### Significant Vote Category 4 ('SV4'): Corporate Transactions

- Focus on selected votes which have a financial impact on the investment with a focus on acquisitions

#### Significant Vote Category 5 ('SV5'): Votes contrary to custom policy

- Focus on large active holdings where we have voted contrary to custom policy following analysis

#### Examples of "significant votes" in relation to the Standard Life Managed Pension Fund

*Note: abrdn provided a list of 10 examples of significant votes over the period under review with no ranking of significance. Accordingly, XPS Investment Limited has sampled 5 from this list.*

Prosus NV	23 August 2023: Approve Discharge of Non-Executive Directors	Investment manager voted Against the resolution
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SV1: We have for several years been active in our engagement on a range of topics including executive remuneration. We are not satisfied with the Remuneration Committee's decision that the special incentive should be paid out in full. We also have significant concerns that management have been generously rewarded for some reduction in the discount and are no longer sufficiently aligned with further improvement. To escalate our views, and in the absence of a vote on Remuneration Committee members, we consider a vote against the discharge of the non-executive directors to be appropriate.

Salesforce, Inc.	27 June 2024: Report on Viewpoint Discrimination	Investment manager voted Against the resolution
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SV2: Given the company's existing disclosures on policies and practices aimed at protecting human rights, this proposal is unlikely to add value to shareholders.

The Kroger Co.	27 June 2024: Report on Public Health Costs Due to Tobacco Product Sales and the Impact on the Overall Market	Investment manager voted Against the resolution
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SV2: A similar resolution was filed last year and there has been no change that would cause us to revise our position. The subject of the requested report has been analysed by various public health and economic reports. Fulfilling the request would be of uncertain benefit and would require the Company to incur disproportionate costs. We note Kroger's discontinuation of sales of e-cigarettes and encourage it to keep its approach to selling tobacco products under careful consideration.

Mitsubishi UFJ Financial Group, Inc.	27 June 2024: Amend Articles to Add Provision on Director Competencies to Manage Climate-Related Business Risks and Opportunities	Investment manager voted For the resolution
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SV2: abrdn are supportive of the disclosure the company has taken to indicate the areas considered when selecting directors. We believe it would be beneficial if the company also disclosed if climate-related knowledge was considered as this is an area impacting across both the bank and its clients. It should be noted that such skills should not be a prerequisite for directors' appointment and there should not be a reliance on one director for any specific area of expertise. A vote in favour is appropriate.

Delta Air Lines, Inc.	20 June 2024: Adopt a Policy Requiring Third Party Groups to Report Their Political Expenditures	Investment manager voted Against the resolution
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SV2: While the proponent highlights valid concerns regarding reputational risks associated with lobbying and political expenditures, the requested report would be unconventional and raises concerns as to the degree of control the company would have over what it publishes and the degree of control it would have over its trade association memberships. We note that the company discloses its trade association memberships with annual dues of more than USD50k and sets out the internal approval required for such memberships. We have therefore voted against the resolution.

## Summaries provided by abrdn of engagement activities

*Disclaimer: All descriptions and examples of engagements are provided by abrdn for the 12-month period to 31 July 2024. Neither the Trustees nor XPS Investment Limited have vetted this information or these descriptions or examples. These summaries have been provided by abrdn and any reference to "our", "we", "us" etc. within these summaries is from abrdn's perspective.*

abrdn considers engagement is an effective method of driving long-term positive change in company policies and practices and is applicable across all asset classes.

A high-level summary of the number of engagement activities, as well as examples of engagement, by the investment manager in relation to the Standard Life Managed Pension Fund is shown below.

### Standard Life Managed Pension Fund: engagement information

We engaged with 81 entities over the period under review, and conducted 182 relevant engagements.

Standard Life Managed Pension Fund: engagement focus
Our focus is predominantly on seeking positive change at individual issuers but we do focus on seeking to improve market-wide or system risks. Please refer to our annual Stewardship Report and our Engagement Policy for additional details. We refer to our annual Stewardship Report, our Engagement Policy and our Governance and Active Ownership section of our Sustainable Investing webpage for additional details on our engagement process and additional case studies.
<ul style="list-style-type: none"> <li>- abrdn Stewardship Report: <a href="https://www.abrdn.com/docs?editionId=50636955-103f-47cb-86e2-036aec4d30d4">https://www.abrdn.com/docs?editionId=50636955-103f-47cb-86e2-036aec4d30d4</a></li> <li>- abrdn Engagement Policy: <a href="https://www.abrdn.com/docs?editionid=d04a53ac-f97b-45a7-b717-b0d000fa8673">https://www.abrdn.com/docs?editionid=d04a53ac-f97b-45a7-b717-b0d000fa8673</a></li> <li>- abrdn Governance and Active Ownership website: <a href="https://www.abrdn.com/en-gb/institutional/sustainable-investing/governance">https://www.abrdn.com/en-gb/institutional/sustainable-investing/governance</a></li> </ul>

### Standard Life Managed Pension Fund: engagement case studies

<b>Name of entity engaged</b>	NatWest Markets plc
<b>Topic of engagement</b>	Human Rights & Stakeholders, Corporate Behaviour
<b>Rationale for engagement</b>	Discussed the management change and how they will deal with the independent investigation.
<b>Engagement activity carried out</b>	The risk here is that any investigation finds that there was widespread and systematic de-banking activity in Coutts and then that the narrative told by the previous CEO and the bank was not fully correct.
<b>Outcomes and next steps</b>	The CEO sees low risk of both of these but they will co-operate fully with the review and act accordingly. Overall this discussion did not change our ESG view of the company.

<b>Name of entity engaged</b>	Verizon Communications Inc
<b>Topic of engagement</b>	Climate Change, Environment
<b>Rationale for engagement</b>	Meeting with Verizon following the Wall Street Journal's article with claims of lead contamination from cabling laid between 1800s and 1960s.
<b>Engagement activity carried out</b>	This was a positive meeting with independent audit results and testing done by the US EPA disproving many of the Wall Street Journal's accusations.
<b>Outcomes and next steps</b>	We asked Verizon to work towards producing a publicly available map of where these lead sheathed cables may be.

<b>Name of entity engaged</b>	Petroleos Mexicanos (Pemex)
<b>Topic of engagement</b>	Labour Management, Corporate Governance
<b>Rationale for engagement</b>	We met with Pemex's President of the Sustainability Committee.
<b>Engagement activity carried out</b>	It was a quite uninspiring meeting where Meyer discussed high level ambition but very little action. He couldn't clearly articulate the purpose of the new sustainability committee.
<b>Outcomes and next steps</b>	Concerningly, it also sounds like Meyer is a lone voice within Pemex pushing the sustainability agenda.

### Statement's conclusion on the summaries provided by abrdn of voting and engagement activities

Based on the above summaries provided by abrdn of voting and engagement activities in relation to the Standard Life Managed Pension Fund, the Trustees have concluded that, in respect of the reporting year, the Plan's investment manager has exercised its delegated voting rights and had undertaken appropriate engagement activities on behalf of the Trustees in a way that aligns with the Trustees' relevant policies in this regard.

27 February 2025