

The Amari PLC Pension and Life Assurance Plan Engagement Policy Implementation Statement for the year ended 31 July 2022

Purpose

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 2022 ("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

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 encourages 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

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 were no such investment manager selection exercises.

Ongoing governance

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.

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 industry developments 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 and engagement activities

The main asset class where the Plan's 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.

aIML is part of the abrdrn investment group. abrdrn 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. abrdrn generally meets representatives of investee companies at least once a year, while also routinely engaging on voting issues. If necessary, abrdrn will escalate an issue to ensure its views are represented by those with appropriate seniority and experience.

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

Summaries provided by abrdrn of voting and engagement activities

Disclaimer: All voting information, and descriptions and examples of "significant votes" and engagements, are provided by abrdrn for the 12-month period to 31 July 2022. Neither the Trustees nor XPS Investment Limited have vetted this information or these descriptions or examples. These summaries have been provided by abrdrn and any reference to "our", "we", "us" etc. within these summaries is from abrdrn's perspective.

Summary voting statistic in relation to the Standard Life Managed Pension Fund – year ended 31 July 2022

	Number	%	Comments
How many meetings were we eligible to vote at?	149	n/a	Number of votable meetings
How many resolutions were we eligible to vote on?	1,424	n/a	Number of votable items
What % of resolutions did we vote on for which we were eligible?	1,275	89.54%	Number / % of items voted
Of the resolutions on which we voted, what % did we vote with management?	1,109	86.98%	Number / % of votes with management
Of the resolutions on which we voted, what % did we vote against management?	103	8.08%	Number / % of votes against management
Of the resolutions on which we voted, what % did we abstain from voting?	63	4.94%	Number / % of votes to abstain
In what % of meetings for which we did vote, did we vote at least once not with management?	46	33.58%	Number / % of meetings with at least 1 vote not with management

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

https://vds.issgovernance.com/repo/2024/policies/Listed_Company_Stewardship_Guidelines.pdf

abrdrn 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 10 examples of significant votes over the period under review with no ranking of significance. Accordingly, XPS Investment Limited has selected the 5 items below from the examples provided.

Fabege AB	Re-elect Martha Josefsson as a director	Investment manager voted For the resolution, in line with management recommendation
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SV3: While we had concerns regarding the tenure of this director, we noted that there had been recent board refreshment and we were comfortable to support for one more year. We will engage on succession planning for this director.

Hufvudstaden AB	Shareholder resolution to approve C share re-list	Investment manager voted Against the resolution; management did not make a recommendation
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SV2: We voted against this item as the proponent failed to disclose a rationale behind the proposal.

JOINN Laboratories (China) Co., Ltd.	Adopt H share incentive scheme and authorise Board to deal with all matters in relation to the scheme	Investment manager voted For the resolution, in line with management recommendation
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SV3: We engaged with management and were comfortable to support the H share incentive scheme.

Instone Real Estate Group SE	Approve Remuneration Report	Investment manager voted For the resolution, in line with management recommendation
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SV3: We were broadly comfortable with the level of disclosure in the Remuneration Report, noting the inclusion of financial performance targets, although we engaged to encourage an increase in transparency of personal objectives within the annual bonus. We will engage to encourage strengthening of the relative TSR element of the Long Term Incentive, noting that this is the minority performance indicator.

Aedifica SA	Approve Remuneration Report	Investment manager voted For the resolution, in line with management recommendation
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SV3: We engaged with the company regarding the intentions around disclosure of the targets which apply to the Long Term Incentive. The company assured us that these will be disclosed at the end of the performance period. We will encourage earlier disclosure of the non-financial targets given that we do not consider these to be commercially sensitive.

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 on behalf of the Trustees in a way that aligns with the Trustees' relevant policies in this regard.

27 February 2023