

Amari Plastics Plc Pension Scheme

Annual Engagement Policy Implementation Statement – March 2025

1. Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee Directors ('the Trustees') have been followed during the year running from 1 April 2024 to 31 March 2025 (the 'Scheme Year'). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

This statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, which was the SIP dated March 2023.

Following the year end, the Trustees invested the majority of Scheme assets in a bulk annuity with Legal & General Assurance Society ("LGAS") and have adopted an updated SIP accordingly. References to Investment Policies and Objectives set out in this report therefore relate to the SIP in force over the Scheme Year.

Sections 2 and 3 of this statement set out the investment objectives of the Scheme and any review of the SIP made over the year, respectively.

Sections 4, 5 and 6 include information on the engagement activities of the underlying investment managers of the Scheme and sets out how the Scheme's engagement policies have been followed during the Scheme Year. **The Trustees can confirm that all policies in the SIP on engagement in relation to the Scheme's assets have been followed during the Scheme Year.**

2. Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP in force over the year are as follows:

- Ultimately, to secure all liabilities through the purchase of a bulk annuity;
- To improve the financial position of the Scheme through investment returns, to the point where the first objective can be achieved within an appropriate timeframe without recourse to additional contributions;
- To limit the amount of investment risk that is being run to the level that is considered necessary in order to achieve the level of investment return that is required, and to do this through gradual de-risking of the assets when the funding position permits it.

Given the nature of the liabilities, the investment horizon of the Scheme is potentially long-term (i.e. several decades), although opportunities for risk transfer (e.g. by purchase of bulk annuities) could reduce the time horizon materially.

The SIP also states that the Trustees have not set a formal target for risk transfer but anticipate that it may already be affordable. (As noted above, the Trustees in fact completed a bulk annuity purchase after the year end).

In setting these objectives the Trustees have taken into account the Sponsor's ability to make contribution payments and attitude towards the size and incidence of these payments, and have taken into account the corridor agreement which specifies actions to be taken in the event that the funding level of the Scheme falls below 90% or exceeds 110% on a technical provisions basis.

3. **Review of the SIP**

The Trustees have not updated the SIP during the Scheme Year. Prior to the Scheme year end, the Trustees last reviewed the SIP in March 2023 to reflect changes to the investment strategy given de-risking activity that took place in the previous year. Subsequent to the year end, the Trustees have adopted an update to the SIP to reflect completion of an annuity purchase which took place after the year end. A copy of the latest SIP is available on request and also available on the following website:

https://www.marloweholdings.co.uk/wp-content/uploads/2025/09/Amari_SIP-July-2025-Signed.pdf

4. **Policy on ESG, Stewardship and Climate Change**

The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.

In order to establish these beliefs and produce this policy, the Trustees undertook investment training provided by their investment consultant on responsible investment which covered ESG factors, stewardship, climate change and ethical investing. This formal training was provided in 2019. In addition an Investment Subcommittee receives regular updates on current investment topics and over the course of the year this included updates on ESG related issues. The Trustees keep their policies under regular review.

The Trustees are satisfied that their engagement policy was followed during the year. The following summarises how the Trustees' engagement and voting policies were followed and implemented during the year accordingly.

5. **Engagement**

As set out in the SIP, as part of the Trustees' ongoing review of their investment managers, they will review how ESG, climate change and stewardship are integrated within the investment managers' investment processes and in the monitoring process. The investment managers are expected to provide reporting on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics. The Trustees will consider the ESG policies of any potential new manager as part of the selection process.

- An investment performance report was reviewed by the Trustees on a quarterly basis – this included ratings (both general and specific ESG) from the investment advisers.

The investment performance report includes how each investment manager is delivering against their specific mandates.

- The Trustees also received details of relevant engagement activity for the year from the Scheme's investment managers, directly or via their investment adviser, as part of regular reporting and presentations.
- The Scheme's corporate bond manager (RLAM) engaged with companies, where applicable, over the Scheme Year on a wide range of different issues, including ESG matters. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy. RLAM provided examples of instances where they had engaged with companies they were invested in or about to invest in which resulted in a positive outcome. These engagement initiatives are driven mainly through regular engagement meetings.

6. **Engagement Activity**

The assets held by the Scheme during the Scheme Year comprise gilts and corporate bonds. Since these instruments do not typically have voting rights attached, voting activity is not applicable and the investment managers have not exercised voting rights over the Scheme Year as part of their asset management duties.

The Trustees do not hold investments directly and have therefore, effectively, delegated engagement to the pooled fund investment managers, where applicable.

Engagement initiatives are driven by investment managers mainly through regular engagement meetings with the companies in which they invest.

The engagement activities of the investment managers are set out below:

- **Royal London Asset Management ('RLAM') – Buy and Maintain Credit**
 - This is a fixed income mandate, therefore this manager does not vote at AGMs, but rather at Extraordinary General Meetings. Nonetheless, RLAM directly engages with companies and does not use a third party to vote on its behalf.
 - RLAM apply a bespoke approach to integrating ESG. Notwithstanding, RLAM also has access to third party data and research to help inform part of their ESG risk analysis. RLAM's preponderance of secured and covenanted bonds grants them the ability to exercise a significant degree of pre-emptive control over the structure and features of a bond, such as a change in ownership. It also means RLAM is involved in a disproportionate level of engagement than is typical for unsecured portfolios.
 - While as bond holders RLAM do not have equity holder voting rights, during the 12 month period to 31 March 2025, RLAM engaged with 39 separate issuers within this portfolio on 95 occasions. Topics of engagement included climate change (transition and physical risk), biodiversity, health, corporate culture, social and financial inclusion, innovation, technology and society.

- **Insight – Liability Driven Investments ('LDI')**

- The Insight LDI funds consist of UK government issued debt rate and inflation exposures, interest rate swaps and inflation swaps. As such voting is not relevant and engagement activities are not significant.