

Amending company articles to enable conversion to a B Corp at Assura plc

July 2024

Company: Assura plc (Assura)

Meeting date: July 4, 2024

Proposal(s): Item 18—Amend Articles of Association to satisfy the legal requirements for the company to register as a B Corporation

How the funds voted

At the 2024 annual meeting for Assura plc, a U.K.-listed real estate investment trust specializing in investing in and managing health-care buildings, the Vanguard-advised funds supported a management proposal. The proposal sought shareholder approval to amend the company's Articles of Association by adding a new Article 91, "Objects and Stakeholder Interests," to satisfy the legal requirements for the company to register as a B Corporation (B Corp).¹

The funds' proxy voting policies

As articulated in the funds' proxy voting policies, the Vanguard-advised funds evaluate amendments to the Articles of Association on a case-by-case basis, taking into account the facts and circumstances at the company in

question. The funds look for companies to adopt governance practices and structures that support board service in the interest of the shareholders they represent. When evaluating such changes, we consider:

- Any changes to corporate law and/or listing rules that may require an amendment to the Articles of Association;
- Whether the amendments may result in corporate governance structures and/or processes that are a regression from the company's existing structures or processes from a shareholder's perspective; and/or
- Whether the amendments are detrimental to shareholder rights.

Analysis and voting rationale

The voting agenda for Assura's 2024 annual meeting included a special resolution to amend the Articles of Association to become a B Corp. Certification as a B Corp involves changing the legal framework that applies to directors' duties, elevating consideration of a wider set of stakeholder interests alongside shareholders' interests.

¹ Vanguard's Investment Stewardship program is responsible for proxy voting and engagement on behalf of the quantitative and index equity portfolios advised by Vanguard (together, "Vanguard-advised funds"). Vanguard's externally managed portfolios are managed by unaffiliated third-party investment advisors, and proxy voting and engagement for those portfolios are conducted by their respective advisors. As such, throughout this document, "we" and "the funds" are used to refer to Vanguard's Investment Stewardship program and Vanguard-advised funds, respectively.

We engaged with Assura's independent board chair ahead of the company's annual meeting to discuss how the board came to the view that B Corp certification was in the best interests of the company and its shareholders. We sought to understand the board's oversight of the decision-making process and the practical implications of this change for both directors and shareholders.

Assura outlined the belief that B Corp certification could serve as a catalyst for future growth and value creation, as alignment with B Corp standards would be viewed positively by prospective clients and would help attract and retain talent. Assura leaders shared examples of how the board had overseen, researched, and evaluated the certification process, including its benefits and possible risks. Lastly, as part of the evaluation, Assura had assessed its eligibility for B Corp status and provided examples of the process it underwent to determine whether it would be successful in obtaining certification.

During the engagement, Assura leaders also stated that B Corp certification would not undermine how the company or its directors consider and prioritize shareholder rights and interests, and that certification would align with the company's existing operations and strategic goals.

Through our research and engagement with company leaders, we determined that the company's rationale for seeking certification as a B Corp had been thoughtfully and thoroughly considered, and that the long-term value creation expected from the certification would not present risks to shareholder returns. Based on that determination and our assessment that investors could benefit from Assura's B Corp certification over the long term, the Vanguard-advised funds supported the management proposal.

Vanguard publishes information regarding its voting and engagement activities, including the funds' proxy voting policies, Insights, and quarterly reports, to promote good corporate governance practices and to provide public companies and investors with our perspectives on important governance topics and key votes. This is part of our effort to provide useful disclosure of Vanguard's investment stewardship activities. We aim to provide clarity on Vanguard's positions on governance matters beyond what a policy document or a single vote can provide.

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