

Implementation Statement

Continental Landscapes Limited Staff Benefits Plan

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Continental Landscapes Limited Staff Benefits Plan (“the Plan”)** to set out the following information over the year to **29 April 2023**:

- the voting activity undertaken by the Plan’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes; and
- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year.

As the Plan’s investment managers only report on voting data quarterly, voting information has been provided over the year to 31 March 2023, as this is the closest quarter-end date to the Scheme’s year-end date.

Stewardship policy

The Trustees’ Statement of Investment Principles (SIP) in force at 29 April 2023 describes the Trustees’ stewardship policy on the exercise of rights (including voting rights) and engagement activities.

At this time, the Trustees have not set stewardship priorities or themes for the Plan but will be considering the extent that they wish to do this in due course, in line with other Plan risks.

The Trustees invest through pooled investment vehicles, and stewardship responsibilities are delegated to the investment managers. Given this, and the fact that the Plan’s assets represent a relatively small proportion of the total assets invested in those vehicles, the Trustees believe that setting stewardship priorities and engaging with managers on them is unlikely to have a material impact on financial outcomes for the Plan. The Trustees believe that the fund selection and the general approach to stewardship used within those funds is likely to be more material to financial outcomes than engagement with the investment managers on the Trustees’ own stewardship priorities.

The Trustees understand that they are therefore constrained by the policies of the managers. However, the Trustees take stewardship and ESG factors into account as part of manager/fund selection and monitor these characteristics with the assistance of their investment consultant.

How voting and engagement policies have been followed

Based on the information provided by the Plan's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following way:

- At the year-end, the investment managers were Legal & General Investment Management ("LGIM"), Newton Investment Management ("Newton") and Schroder Investment Management ("Schroders"). The Trustees regularly consider the performance of the funds held with each investment manager and any significant developments that arise, as notified by their investment consultant.
- Company shares with voting rights are accessed through multi-asset funds provided by Newton and Schroders.
- As noted above, the Plan invests entirely via pooled funds and the Trustees therefore delegate responsibility for carrying out voting and engagement activities to the Plan's investment managers. The Trustees, as advised by their investment consultant, consider the stewardship and engagements activities of the funds to be suitable and consistent with the financial objectives of the funds held.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of their fund managers are consistent with the Plan's stewardship policies, as set out in the Statement of Investment Principles.

A summary providing examples of voting activities undertaken by the investment managers, based on what they regard as being significant votes, is given in the appendix.

Approved by the Trustees of the Continental Landscapes Limited Staff Benefits Plan on 21 November 2023

Appendix - voting undertaken on behalf of the Trustees

This section provides a summary of the voting activity undertaken by the investment managers on behalf of the Trustees over the year to **31 March 2023**, together with information on any key voting priorities and information on the use of proxy voting advisors by the managers.

The Plan's liability-driven investment ("LDI"), Active Corporate Bond (Over 10 Year) Fund and cash fund held with LGIM have no voting rights and there is expected to be limited ability to engage with key stakeholders given the nature of the mandate. As such, these funds have been excluded from this section.

Manager	Newton	Schroders
Fund name	BNY Mellon Real Return Fund	Schroders Life Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	78	1,290
No. of eligible votes	1,287	15,823
% of resolutions voted	100%	95%
% of resolutions abstained	0%	0%
% of resolutions voted with management*	89%	89%
% of resolutions voted against management*	11%	10%
% of resolutions voted against proxy voter recommendation	7%	2%

Source: information provided by the investment managers.

* As a percentage of the resolutions on which the manager voted.

Schroders noted that figures may not sum to 100% for a variety of reasons, such as: lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting being voted in differing ways or a vote of 'abstain' also being considered a vote against management.

Use of proxy voting advisers

Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, alongside providing research. Its voting recommendations of are not routinely followed; it is only in the event that Newton recognise a potential material conflict of interest that the recommendation of their external voting service provider will be applied.

ISS act as Schrodgers' one service provider for which they have their own bespoke policy.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities or themes. As noted above, at this time, the Trustees have not set stewardship priorities or themes for the Plan.

For this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy. In future, the Trustees will consider the most significant votes in conjunction with any agreed stewardship priorities or themes should it decide to set them.

Newton and Schrodgers have provided a selection of votes which they believe to be significant. In the absence of agreed stewardship priorities or themes, and in the interest of concise reporting, the Trustees have opted to show three votes from each manager.

BNY Mellon Real Return Fund

	Vote 1	Vote 2	Vote 3
Company name	ConocoPhillips	Greencoat UK Wind Plc	Abbott Laboratories
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.17%	1.68%	0.67%
Summary of the resolution	Report on greenhouse gas emissions reduction targets	Re-elect Shonaid Jemmett-Page as Director	Report on lobbying payments and policy
How the manager voted	For	Against	For
Rationale for the voting decision	The manager supported the shareholder proposal requesting reporting on greenhouse gas targets, and notably Scope 3 emissions across the value chain	The manager voted against the re-election of the chairperson due to concerns over a past share issuance, which they believe was conducted in a manner that was not in the best interests of shareholder	The manager felt that additional disclosures around lobbying payments will be beneficial for shareholders in better assessing the related risks
Outcome of the vote	39% voted for the resolution	15% voted against the resolution	35% voted for the resolution

	Vote 1	Vote 2	Vote 3
Implications of the outcome	The manager felt that the support for the shareholder proposal highlights this as a growing area of concern in the US market.	The manager noted that the vote outcome demonstrates that a super majority of shareholders are not concerned with potential valuation dilution resulting from the past share issuance. As such, these shareholders' right to complain is lost should the company place new shares with investors that are priced below the shares' net asset value.	The manager felt that the near majority support for the shareholder proposal provides an increased likelihood of shareholders' rights being improved.
Criteria on which the vote is considered "significant"	The manager determined this vote as significant owing to the rarity of a shareholder proposal achieving majority support	The manager determined this vote as significant given the proposal failed to include industry accepted best practice in terms of pricing of placed shares	The manager felt the significance of this vote extends to the level of support received for the shareholder proposal which sought fundamental governance reforms of the company

Source: information provided by the investment manager.

Schroders Life Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	AFC Energy Plc	Royal Bank of Canada	Amazon.com, Inc.
Approximate size of the fund's holding as at the date of the vote (as % of portfolio)	Information not provided	Information not provided	Information not provided
Summary of the resolution	Accept financial statements and statutory reports	Update the Bank's criteria for sustainable finance to preclude fossil fuel activity and projects opposing indigenous peoples	Commission a third-party audit on working conditions
How the manager voted	Against	For	For
Rationale for the voting decision	The manager voted against the resolution for reasons including: (1) the key committees include a non-independent member, (2) concerns over the conditions for the options granted to Executive Directors, (3) some of the outstanding awards of the Executive Director were repriced during the year under review and (4) the board is less than 20% female.	The manager believes their vote for this item will maximise the value to their clients. The manager is concerned that the inclusion of these types of activities could undermine the Bank's other sustainable finance activities and / or lead to reputational damage through accusations of greenwashing.	The manager believes that shareholders will benefit from increased disclosure through third-party auditing on warehouse working conditions.
Outcome of the vote	Passed	Failed	Failed
Implications of the outcome	Information not provided	Information not provided	Information not provided

	Vote 1	Vote 2	Vote 3
Criteria on which the vote is considered "significant"	Vote against management	Vote against management	Vote against management

Source: information provided by the investment manager.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year to 31 March 2023 for the relevant funds.

Engagement activities are limited for the Plan's LDI and cash holdings due to the nature of the underlying investments. As such, these funds have been excluded from this section.

Manager	Newton	Schroders	LGIM
Fund name	BNY Mellon Real Return Fund	Schroders Life Diversified Growth Fund	Active Corporate Bond (Over 10 Year) Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	48	> 1,000	85
Number of engagements undertaken at a firm level in the year	224	> 2,800	1088