

Implementation Statement

Continental Landscapes Limited Staff Benefits Plan

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Continental Landscapes Limited Staff Benefits Plan (“the Plan”)** to set out the following information over the year to **29 April 2024**:

- the voting activity undertaken by the Plan’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes; and
- how the Trustee’s 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 2024, as this is the closest quarter-end date to the Plan’s year-end date.

Stewardship policy

The Statement of Investment Principles (“SIP”) in force at 29 April 2024 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities.

The Plan’s stewardship policy was updated post accounting year-end to incorporate three stewardship priorities that were agreed by the Trustee at a meeting in June 2024. These stewardship priorities are intended to be consistent with the beliefs and objectives of the sponsoring employer and are:

- climate change;
- biodiversity; and
- human rights.

These stewardship priorities did not apply for the year to 29 April 2024 but will be considered as part of future reporting on the implementation of the Trustee’s policies.

The most recently published SIP has been made available online here:

<https://continental-landscapes.co.uk/wp-content/uploads/2024/04/20231121-Statement-of-Investment-Principles-Continental-Landscapes-Approved.pdf>

How voting and engagement policies have been followed

Based on the information provided by the Plan's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Plan used three investment managers over the course of the year, Legal & General Investment Management ("LGIM"), BNY Mellon Investment Management ("BNY Mellon") and Schroders. During the year a review of investment strategy was undertaken. As a result, BNY Mellon and Schroders were removed so that LGIM was the only investment manager in place at the year end.
- The Plan invests solely in pooled funds and, where applicable, delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- During the year, the Trustee regularly considered the performance of the funds held and quality ratings on investment management and ESG capabilities of the managers, as provided by its investment consultant.
- The Trustee regularly also has access to information on ESG considerations, engagement, and voting from the investment managers, via its investment consultant, who reviews these as part of the preparation of this Implementation Statement to ensure alignment with the Trustee's own policies.
- The Trustee, as advised by its investment consultant, considers the stewardship and engagement 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 Trustee is comfortable that the actions of LGIM 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 used by the Plan over the year, based on what they regard as being significant votes, is given in the Appendix. Examples of engagement activities undertaken by the managers is also provided in the Appendix.

**Prepared by the Trustee of the Continental Landscapes Limited Staff Benefits Plan
August 2024**

Appendix - voting undertaken on behalf of the Trustee

This section provides a summary of the voting activity undertaken by the investment managers on behalf of the Trustee over the year to **31 March 2024**, 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. As such, these funds have been excluded from this section.

The Plan disinvested from the Schrodgers Life Diversified Growth Fund and the Newton Real Return Fund on 7 December 2023. Following this, the Plan invested in the LGIM All World Equity Index Fund and the LGIM Diversified Fund on the same date. Voting data is shown over the year to 31 March 2024 for all funds with voting rights attached. It should be noted that the Plan was not invested in these funds for the whole duration of the period for which data is presented.

Manager	BNY Mellon	Schrodgers	LGIM	LGIM
Fund name	BNY Mellon Real Return Fund	Schrodgers Life Diversified Growth Fund	All World Equity Index Fund	Diversified Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.			
No. of eligible meetings	69	1,109	6,558	8,997
No. of eligible votes	1,101	14,566	64,076	93,090
% of resolutions voted	99.3%	93.9%	99.9%	99.8%
% of resolutions abstained	0.0%	0.4%	0.5%	0.3%
% of resolutions voted with management*	92.0%	89.3%	79.3%	76.6%
% of resolutions voted against management*	7.8%	10.7%	20.2%	23.1%
% of resolutions voted against proxy voter recommendation	4.9%	7.3%	11.4%	14.5%

Source: information provided by the investment managers.

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

BNY Mellon 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 are not routinely followed; it is only in the event that BNY Mellon recognises a potential material conflict of interest that the recommendation of their external voting service provider will be applied.

Institutional Shareholder Service (“ISS”) act as Schroders’ one voting service provider, with ISS implementing Schroders’ own bespoke voting policy.

LGIM’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM, and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

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 Trustee 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.

For the year under review, the Trustee has delegated the assessment of what constitutes a “significant vote” to the Plan’s investment managers.

The investment managers have provided a selection of votes which they consider to be significant. The Trustee has selected a significant vote for each fund relating to each of the Plan’s stewardship priorities, where provided.

- None of the significant vote examples provided by BNY Mellon addressed the issues of Biodiversity and Human Rights, therefore, only one significant vote has been displayed for this fund.
- None of the significant vote examples provided by Schroders addressed the issue of Biodiversity, therefore only two significant votes have been displayed for this fund.

A summary of the significant votes provided is set out below.

BNY Mellon Real Return Fund

Vote 1	
Company name	Shell Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	2.03%
Summary of the resolution	Request to align Shell's existing 2030 Scope 3 reduction target to the Paris Climate Agreement
Stewardship priority	Climate change
How the manager voted	Abstained (against management recommendation)
Rationale for the voting decision	BNY Mellon abstained on the proposal as they did not want to be considered to be overstepping on management's prerogatives in strategy setting.
Outcome of the vote	80% voted against the resolution
Implications of the outcome	The significant dissent on the proposal shows concern from the shareholder base around the proposed request.
Criteria on which the vote is considered "significant"	As a significant greenhouse gas ("GHG") emitter, it is critical for Shell to have a credible transition plan. Abstaining on this resolution would convey to the company, (in addition to BNY Mellon's engagement), the need to add credibility to its transition planning.

Source: information provided by the investment manager.

LGIM All World Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	JPMorgan Chase & Co.	McDonald's Corporation	Amazon.com, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.66%	0.35%	1.53%
Summary of the resolution	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG (Greenhouse Gas) Emission Targets	To Adopt Policy to Phase Out Use of medically-Important antibiotics in Beef and Pork Supply Chain	Report on Medin and Adjusted Gender/Racial Pay Gaps
Stewardship priority	Climate Change	Biodiversity	Human Rights
How the manager voted	For (against management recommendation)	For (against management recommendation)	For (against management recommendation)
Rationale for the voting decision	LGIM generally support resolutions that seek additional disclosures on how companies aim to manage their financing activities in line with their published targets. However, LGIM believe the onus remains on the board to determine the	Antimicrobial resistance ('AMR') is a key area of focus within LGIM's approach to health, and they consider AMR to be a systemic risk. The resolution asks McDonald's to adopt a company-wide policy to phase out the use of medically	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap.

	Vote 1	Vote 2	Vote 3
	activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.	important antibiotics for disease prevention purposes in its beef and pork supply chains and to set targets with timelines, metrics for measuring implementation, and third-party verification.	
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	<p>LGIM considers this vote to be significant as they continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.</p> <p>The topic of the vote is linked to climate change, which the Trustee has identified as a stewardship priority.</p>	<p>LGIM considers this vote to be significant as AMR is a key area of focus within LGIM's approach to health, and they consider AMR to be a systemic risk.</p> <p>The topic of the vote is linked to biodiversity, which the Trustee has identified as a stewardship priority.</p>	<p>LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p> <p>The topic of the vote is linked to human rights, which the Trustee has identified as a stewardship priority.</p>

Source: information provided by the investment manager.

LGIM Diversified Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Toyota Motor Corp.	Apple Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.30%	0.21%	0.39%
Summary of the resolution	Approve the Shell Energy Transition Progress	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO (Equal Employment Opportunity) Policy
Stewardship priority	Climate Change	Biodiversity	Human Rights
How the manager voted	Against (against management recommendation)	For (against management recommendation)	Against (in line with management recommendation)
Rationale for the voting decision	LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and	A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support	A vote against this proposal is warranted, as LGIM believe the company appears to be providing shareholders with

	Vote 1	Vote 2	Vote 3
	welcome the company's leadership in pursuing low carbon products. However, LGIM remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM believe that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own ambitions, and what actions are taken when misalignment is identified.	sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	<p>LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.</p> <p>The topic of the vote is linked to climate change, which the Trustee has identified as a stewardship priority.</p>	<p>LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability, biodiversity and public health. In addition, LGIM expect companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.</p> <p>The topic of the vote is linked to biodiversity, which the Trustee has identified as a stewardship priority.</p>	<p>LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.</p> <p>The topic of the vote is linked to human rights, which the Trustee has identified as a stewardship priority.</p>

Source: information provided by the investment manager.

Schroders Life Diversified Growth Fund

	Vote 1	Vote 2
Company name	Netflix, Inc.	Microsoft Corporation
Approximate size of the fund's holding as at the date of the vote (as % of portfolio)	<i>Information not provided</i>	<i>Information not provided</i>
Summary of the resolution	Report on Climate Risk in Retirement Plan Options	Report on Risks of Operating in Countries with Significant Human Rights Concerns
Stewardship priority	Climate Change	Human Rights

	Vote 1	Vote 2
How the manager voted	For (against management recommendation)	For (against management recommendation)
Rationale for the voting decision	Schroders welcome the company providing additional disclosure around how it is protecting its employee plan beneficiaries from climate risk, particularly in its default retirement options. Schroders believe that how they have voted is in the best financial interest of their clients' investments.	Schroders believe that shareholders would benefit from further disclosure on how the company mitigates risks in markets in which it operates where there are significant human rights concerns. Schroders believe how they have voted is in the best financial interests of their clients' investments.
Outcome of the vote	Fail	Fail
Implications of the outcome	<i>Information not provided</i>	<i>Information not provided</i>
Criteria on which the vote is considered "significant"	Vote against management The topic of the vote is linked to climate change, which the Trustee has identified as a stewardship priority.	Vote against management The topic of the vote is linked to human rights, which the Trustee has identified as a stewardship priority.

Source: information provided by the investment manager

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year to 31 March 2024 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	BNY Mellon	Schroders	LGIM	LGIM
Fund name	BNY Mellon Real Return Fund	Schroders Life Diversified Growth Fund	Diversified Fund	World Equity
Number of entities engaged on behalf of the holdings in this fund in the year	9	562	1,321	544
Number of engagements undertaken at a firm level in the year	42	4,423	2,144	

Examples of engagement activity undertaken over the year to 31 March 2024

BNY Mellon: Stewardship Priority – Climate Change

Shell: Climate change related engagement

While BNY Mellon recognise the continuing need for conventional fuel, they believe it is imperative for large oil companies to demonstrate how and where they can invest in clean energy alternatives in order to establish credibility for their transition plans. Scope 3 is the largest source of emissions for the company (similar to other oil and gas producers). The absence of an absolute Scope 3 reduction target raises questions on the credibility of its transition plan.

The company reiterated that green capital expenditure is not expected to rise more than was already announced last year, and BNY Mellon note that this is not a priority for the CEO. The company still points to the Naturgy deal as evidence of its green ambitions, which gives an indication on how it is planning to ramp up renewable production, i.e. through future acquisitions, but green capital expenditure figures will remain low compared to peers in the short- to medium-term. BNY Mellon continue to believe disclosures around the figure could be more straightforward.

BNY Mellon reiterated to the company that a Scope 3 target in absolute terms, at least for the proportion of emissions that it directly controls, would help investors in assessing the credibility of its climate transition plan and would align its transition plan to some of its EU peers helping transition the company to the low-carbon world. BNY Mellon do acknowledge that rushing to set a Scope 3 target that is not credible and does not have internal buy-in is not the desired outcome investors are seeking, and BNY Mellon do agree with the company on this point. While the announcement of a new transition plan to be put to a shareholder vote will occur in March, BNY Mellon got the sentiment from the meeting that no significant updates are to be expected. However, BNY Mellon told the company representatives that the narrative is important: almost all of the company's competitors have announced some sort of transition plan/ambition: with Exxon exploring the Lithium route as a transition

play, Shell needs to give its shareholders a transition ambition that is credible and clear and that does not change every year with respect to the end goal. Shell noted that the ask for a Scope 3 target is essentially an ask for an absolute Scope 3 target for transport. Shell is looking into this alongside a near-zero methane target as well as expanding on biofuels/transport sector/value chain understanding in disclosures for users, which, alongside Liquefied Natural Gas, would constitute a transition narrative that can get shareholder buy-in.

BNY Mellon believe it seems increasingly unlikely that Shell will announce a significant absolute Scope 3 reduction in its plan this year. They will monitor announcements and vote accordingly on the transition plan resolution to be submitted to shareholders at the 2024 annual general meeting. However, the engagement objective is at-risk given the current lack of appetite for new major announcement by the company.

Schroders: Stewardship Priority – Climate Change

Ecora Resources: Climate change related engagement

Schroders began to engage with Ecora Resources on climate change in 2022, encouraging them to set emissions reduction targets for scopes 1, 2 and 3. The UK small and mid-cap team, together with sustainability colleagues, first met with Ecora Resources' management in November 2022. Schroders engaged with the company across a range of climate issues including their ESG screening process, sustainability targets in remuneration and in particular setting science-based targets. Schroders introduced the company to the Science-Based Target initiative's (SBTi) small and medium-sized enterprise (SME) framework.

As a company with only 14 employees, this engagement has allowed Ecora to overcome capacity constraints, whilst allowing it to set an industry-standard science-based target. Initially there were concerns over the suitability of this pathway as a royalty company since Financial Institutions are exempt from the SME route. However, Schroders were able to provide an example of a precious metals company which had a validated goal via this route. After this meeting, the company agreed to discuss and consider if this could be a viable next step for them.

In March 2023, Ecora Resources had their near-term goal validated: they have set emission reduction targets that are aligned with the Paris Agreement's goal of limiting global warming to 1.5°C which asks for GHG emissions to peak before 2025 and decline by a minimum of 43% by 2030. Specifically, the company has committed to reducing scope 1 and scope 2 emissions by 46%, by 2030, from a 2019 base year, and to measure and reduce its scope 3 emissions through engagement with its operating partners.

As an additional objective, the company has committed to maintaining carbon neutrality regarding their scope 1, 2 and upstream scope 3 emissions. Schroders consider this to be an initially successful engagement and, as shareholders, plan to continue to engage with the company to promote best practice going forward and to monitor progress. One of Schroder's' long-term desired outcomes of climate engagement is robust governance and oversight of climate-related risks, thus Ecora Resources setting Science Based Targets and having them validate is a great step towards this.

LGIM: Stewardship Priority – Human Rights

LGIM: Update to LGIM’s human rights policy

Human rights have been a key focus area for LGIM for several years. LGIM have incorporated screening of companies’ performance on human rights, labour, the environment and corruption as covered under UN Global Compact (UNGC)’s in specific LGIM funds since 2018; LGIM’s proprietary Future World Protection List captures companies that are perennial violators of the UNGC. Furthermore, LGIM’s Global Research and Engagement Groups (GREGs) have integrated various human rights-relevant topics when evaluating companies held in portfolios and have also established a framework for approaching human rights in the context of sovereigns in their investments. LGIM will continue to review and refine their human rights due diligence approach in evaluating related risks and identifying opportunities in their portfolios.

LGIM recently have published their human rights policy, which emphasises their commitments on human rights as a global investor and outlines their specific expectations of investee companies regarding human rights. This policy can be found through the link below:

[LGIM Human rights policy document](#)