

BIG THINKING FOR SMALL SCHEMES

Implementation Statement

Continental Landscapes Limited Staff Benefits Plan

29 April 2022



1. Introduction

Under regulatory requirements, trustees are required to prepare and review an implementation statement outlining their approach and stewardship dealing with certain specific matters with regards to their Environmental, Social and Governance (ESG) principles outlined in their latest Statement of Investment Principles (SIP).

This Statement sets out the principles governing decisions about the ESG aspect of investment of the assets of Continental Landscapes Limited Staff Benefits Plan (the Scheme). In preparing it, the Trustees obtained written reporting on these matters from Barker Tatham Investment Consultants Limited as its investment consultants.

2. ESG Principles

Environmental, Social and Corporate Governance Policies

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. It acknowledges that it cannot directly influence the social, environmental and ethical policies and practices of the companies in which the pooled funds invest. The Trustees also acknowledge that where index tracking pooled vehicles are employed ESG considerations cannot be taken into account due to the nature of the investment.

In principle, the Trustees believe that ESG factors can have an impact on the performance of its investments and that the management of ESG risks and the exploitation of ESG opportunities, especially in relation to climate change, can add value to the portfolio. To that effect, the Trustees expect its fund managers, where appropriate, to have integrated ESG factors as part of their investment analysis and decision-making process.

Appropriate weight will be given to ESG factors in the appointment of fund managers.

The Trustee views that the stewardship responsibilities attached to the ownership of shares is important but recognises that investment in pooled funds limits their ability to be fully involved. The Trustee expects their investment managers to report in detail on how they have exercised voting rights attached to shares (including across passive equity mandates). Managers are expected to be signatories to the FRC UK Stewardship Code.

Further information on the Trustees' policies can be found in the latest SIP dated June 2020. The latest SIP is available on the company website:
(<https://continental-landscapes.co.uk/careers/statement-of-investment-principles/>)

In the Trustees' opinion, their policies, as recorded in the SIP, have been followed over the 12-month period to 29 April 2022. The Trustees are looking to establish further steps that will be reported on in next year's implementation statement.

The following pages illustrate how the Trustees, through their fund managers, have followed their stewardship and engagement policies.

3. Investments Attitudes to ESG

Fund Manager/Fund	ESG Description
<p>LGIM</p> <p>World Emerging Market Equity Index Fund</p> <p>Active Corporate Bond - Over 10 Year Fund</p> <p>LDI Matching Core Fixed (Long) Fund</p> <p>LDI Matching Core Real (Long) Fund</p> <p>Sterling Liquidity Fund</p>	<ul style="list-style-type: none"> <p>Fund Manager Overview</p> <p>LGIM’s ultimate goal is to protect and enhance the investment returns generated by their clients’ assets whilst aiming to have a long-standing commitment to raising corporate governance and sustainability standards to ultimately enhance the value of companies in which they invest.</p> <p>LGIM has publicly committed to the following three goals as part of their five-year strategic plan:</p> <ul style="list-style-type: none"> • Influencing the transition to a low-carbon economy • Making society more resilient with our financial solutions • Creating new investments for the future economy <p>Further information on how they can receive these goals is publicly available on the parent company Legal & General Group plc’s reporting on corporate responsibility.</p> <p>https://www.legalandgeneralgroup.com/csr/csr-reports/</p> <p>ESG Integration</p> <p>LGIM uses a bottom-up and a top down approach to monitoring and analysis as well as using ESG information that comes out from engagement meetings with companies. LGIM’s ESG scoring tool assesses companies in 17 different sectors on their disclosure, policies and processes for managing ESG risks. LGIM has set up three long-term thematic working groups (demographics, energy and technology) that undertake top-down research and analysis of macroeconomic issues, related to responsible investment and ESG. The direct engagement with companies is a way LGIM seek to identify ESG risks and opportunities. LGIM have an escalation policy to tackle difficult and inter-connected ESG issues that materially impact the value of assets.</p> <p>LGIM have an Active ESG View tool forms an essential component of the overall active research process. The tool brings together granular quantitative and qualitative inputs in order to reflect a full picture of the ESG risks and opportunities embedded within each company. ESG risks vary across sectors and therefore the proprietary tool LGIM have developed evaluates sector specific ESG factors, spanning 64 specific sectors and sub-sectors. LGIM incorporate a qualitative</p>

approach on top of this as data alone may not tell the full story.

- **Active Ownership (1 year to 31 March 2022)**

LGIM reports annually on their active ownership to 31 March, and they also provide quarterly reporting on their proxy voting. LGIM's Corporate Governance team casts proxy votes in a manner consistent with the interests of all clients. They direct the vote of a significant proportion of a companies' shares by exercising the shareholder rights of almost all clients. LGIM acknowledges that the Scheme, in giving LGIM their mandate, requires LGIM to vote with the shares on the behalf of the Scheme. LGIM therefore aims to minimise abstaining from voting, only doing so if it is technically not possible to cast a vote in any other way.

LGIM's voting decisions are made internally within the corporate governance team, and independently from the investment teams. LGIM have in place supplementary regional policies setting out their voting approaches publicly on their website however various other factors may also help them form a view on voting matters. These consist of; previous engagement, third party research (e.g. ESG reports, broker research), company performance and LGIM's in-house views with respect to their investment teams.

The active ownership details below apply to the World Emerging Market Fund, the Active Corporate Bond - Over 10 Year Fund, and the Matching Core LDI Funds, which the Scheme is invested in:

World Emerging Market Fund

Over the 12 months to end March 2022, LGIM were eligible to vote at 4,087 meetings and on 34,237 resolutions over the 12- month period. LGIM voted on 99.8% of resolutions. 81.1% of votes were votes for management, 16.7% were votes against and 2.2% were votes abstained from.

Active Corporate Bond - Over 10 Year Fund

LGIM screen the companies in which they hold corporate bonds for ESG factors. They review quantitative and qualitative factors as well as overall governance. Over the 12-month period to 31 March 2022, LGIM participated in a total of 165 engagements where 78 unique companies were engaged. The top 5 engagement topics were:

- Remuneration
- Climate impact
- Board Composition

- Climate Impact Pledge
- Corporate Strategy

Matching Core LDI Real and Fixed Funds

LGIM aims to embed ESG where appropriate. Following a research meeting with LGIM on their LDI ranges, we could expect to a flexible incorporation of green gilt(s) in LDI mandates. These may be tailored to client-specific ESG objectives, such as targeting a minimum proportion in green gilts. LGIM also considers how ESG is incorporated in their choice of counterparties, which they use by reviewing quantitative and qualitative factors as well as overall governance.

During 2021, LGIM joined forces with other high-profile organisations to support the UN General Assembly's Call to Action on AMR (antimicrobial resistance). The aim of this is to enhance global coordination, accountability and governance by strengthening future pandemic preparation and tackling AMR. LGIM endorsed a proposal seeking a report on antibiotics and public health costs at McDonald's, as they believe this will inform stakeholders on the negative implications of sustained use of antibiotics by the company.

A further case study by LGIM looks at the company HSBC Holdings in which they aspire to work towards a net-zero future aligned with Paris Agreement goals. LGIM endorsed this proposal, which was voted on by shareholders at the 2021 AGM on 28th May alongside a shareholder resolution on the same topic.

Another case study by LGIM looks at the company Microsoft who put forward a resolution to combine the Chair and CEO roles, after having these separate for a number of years. LGIM voted against both resolutions as the stand by the firm belief that all companies should have a separate Chair and CEO, to avoid conflict of interest.

A further case study by LGIM looks at the company The Procter & Gamble Co who in 2020, issued a statement, outlining that P&G shareholders, including LGIM, supported a resolution calling on the company to report on the efforts to eliminate deforestation, filed by Green Century. Green Century wanted shareholders to vote against the re-election of Angela Braly because the actions taken by P&G since the previous AGM had not been sufficient. LGIM voted in favour of the re-election of Angela Braly.

	<ul style="list-style-type: none"> • References LGIM aims to implement best practice reporting to stakeholders including an: <ul style="list-style-type: none"> ○ Annual Active Ownership report ○ Quarterly ESG Impact Report ○ Public monthly voting reports
<p>Newton</p>	
<p>Real Return Fund</p>	<ul style="list-style-type: none"> • Fund Manager Overview Newton claims responsible investment is integral to their investment process. They believe responsibly managed companies are better placed to achieve sustainable competitive advantage and provide strong long-term growth. Their approach to responsible investment seeks to capture best practice across the globe. It is an investment led approach that relies on understanding the issues, conducting proprietary research, engaging with companies, and participating in the development of standards. Newton describes their approach to voting as rigorous and have been publicly disclosing their responsible activities since 2005. These reports also serve to satisfy regulatory and best practices requirements. See reference section below. • ESG Integration Newton aim to optimise performance believing that they do this by investing in well-managed companies which ensure internal practices and procedures observe all legal requirements and conform to best practice. Companies must provide a valid explanation where they do not conform to best practice. Newton’s research into companies includes the systematic analysis of environmental, social and governance issues such as: changes to regulation, physical threats such as severe weather; cost implications, shareholder rights, brand and reputation issues; threat of litigation, fines, access to raw materials and evolution to product. Newton’s process involves scoring all companies for investment a current ESG score and a forecast ESG score. • Active Ownership across all eligible Newton funds (1 year to 31 March 2022) Newton report quarterly on their active ownership. We have provided the period to 31 March 2022 as the year period to 29 April 2022 is unavailable. Newton over the period: Over the 12 months to end March 2022, Newton were

	<p>eligible to vote at 98 meetings and on 1,476 resolutions. Newton voted on 99.2% of resolutions. 83.9% of votes were votes for management, 16.1% were votes against and 0.0% were votes abstained from.</p> <p>Some examples include:</p> <ul style="list-style-type: none"> • Advanced Info Service– AGM – 24 March 2022 Newton voted against the re-election of non-independent directors given the board is not majority independent • Agilent Technologies – AGM – 16 March 2022 Newton voted against the ratification of the company’s auditor given the firm has served in the capacity since 1999, raising concerns around its objectivity and independence. • 3SBio – EGM – 10 January 2022 Newton voted against a proposed share award scheme as the eligible directors are involved in its administrations, resulting in a potential conflict of interest. <ul style="list-style-type: none"> • References More information on Newton’s ESG policies and principles can be found in their document called “<i>Responsible investment – policies and principles.</i>” This has further information also on the industry groups and involvement Newton has with regards to ESG issues and challenges. <p>Further information on case studies and specifics can be found in their quarterly ESG reports found on the website.</p>
<p>Abrdn</p>	
<p>Global Absolute Return Strategies Fund (GARS)</p>	<ul style="list-style-type: none"> • Fund Manager Overview Abrdn believes environmental, social and governance (ESG) considerations have been an integral part of their decision-making process for almost 30 years. At Abrdn they state their vision is to make a difference for their clients, society and the wider world. It is about aiming to achieve their clients’ goals whilst doing the right thing. <p>They centre their approach to responsible investing on the following principles.</p> <ol style="list-style-type: none"> 1. Their investment process: they integrate and appraise environmental, social and governance factors in their investment process, with the aim of generating the best long-term outcomes for clients. 2. Their investment activity: they actively take steps as active owners to deliver long-term, sustainable value consistent with their clients’ objectives.

3. Their client journey: they clearly define how they act in clients' interests in delivering stewardship and ESG (environmental, social and governance) principles). They transparently report on actions to meet those interests.
4. Their corporate influence: they actively advance policy, regulation and industry standards as they seek to deliver a better future for clients, the environment and society.

Client feedback helps to shape their views and approach.

- **ESG Integration**

ESG considerations are central to the way Abrdn invest. They believe ESG factors are financially material and can meaningfully affect an asset's performance. An asset's ability to sustainably generate returns for investors depends on the management of its impact on the environment, its consideration of the interests of society and stakeholders, and on the way in which it is governed.

They believe that a thorough understanding of ESG factors allows them to make better investment decisions, leading to better outcomes for their clients. This begins with rigorous research. They undertake thorough due diligence before investing, considering material ESG risks and opportunities alongside other financial metrics. They seek to understand whether such risks are being adequately managed, and whether the market has understood and priced them accordingly.

ESG is integrated through:

- Implementation – Taking into account investor preferences and excluding companies with controversial exposures.
- Asset Allocation – Asset allocation decisions and ESG are closely linked, as changes associated with ESG issues shape the way they allocate capital.
- Risk Management- Scenario analysis also allows us to work with clients on risk-mitigation strategies.
- Stewardship – Being committed to always acting in the best interests of clients. They believe in active, constructive engagement. For both active and passive strategies, they vote all shares globally wherever they have voting authority.

	<p>Abrdn has an approach to climate-change which is built around six areas of focus:</p> <ul style="list-style-type: none"> • Research and Data – Provide high-quality climate change insights and thematic research across asset classes and regions. • Investment Integration - Understand the potential financial impacts of climate-change risks and opportunities across regions and sectors, integrate these into investment decisions and understand the implications to their portfolios. • Client Solutions - Understand client needs in relation to climate change and low-carbon product demand. • Investee Engagement & Voting - Better understand investee exposure and management of climate change risks and opportunities. Influence investee companies on management of climate risks and opportunities via engagement and voting. • Collaboration & Influence - Collaborate with climate-change-related industry associations and participate in relevant initiatives. • Disclosure - Disclose climate-change-related data using the TCFD reporting framework across the four pillars: governance, strategy, risk management, metrics & targets. <ul style="list-style-type: none"> • Active Ownership Abrdn GARS Fund (to 30 April 2022) As shareholders, Abrdn votes in a considered manner and work with companies to drive positive change. They also engage with policymakers on ESG and stewardship matters. Abrdn maintain close contact with the companies in which they invest, generally meeting representatives of investee companies at least once a year. They recognise the importance of effective communication and value having a focused dialogue with directors and senior executives about issues such as corporate strategy and performance, risk management, corporate governance and relations with stakeholders. Their activities include a regular engagement programme to discuss a range of relevant ESG issues, such as: <ul style="list-style-type: none"> • board balance and composition • remuneration policies • audit and risk issues • environmental and social issues. <p>Abrdn takes part in voting issues across the globe for all investments where they have voting rights. The</p>
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	<p>exceptions are when they are otherwise instructed by the beneficial owner or where, for practical reasons such as share-blocking, this is not appropriate.</p> <p>Over the year to 30 April 2022, Abrdn was eligible to vote at 88 meetings, voting in 98.9% of the meetings. Abrdn voted on 99.9% of the 1035 votable resolutions.</p> <p>A case study by Abrdn looks at a meeting with Standard Chartered Plc where the company is focusing on reaching its net-zero commitments, particularly within its financed emissions. Abrdn have engaged with the company to review the amount of work being done to reach this goal. The meeting gave Abrdn confidence that a lot of work is being done to capture the data, as well as balancing this off against other socio-economic issues that exist in its countries of operation. Abrdn stated they will follow up at the end of the year once the target setting work has been completed.</p> <ul style="list-style-type: none"> • References <ul style="list-style-type: none"> ○ Abrdn Brochure ESG Q4 2021 ○ Abrdn Listed Company Stewardship Guidelines ○ Responsible Investing page on the Abrdn website ○ Abrdn Position Statement - Climate change
<p>Schroders Diversified Growth Fund</p>	<ul style="list-style-type: none"> • Fund Manager Overview In 2017, the Schroders Sustainable Investment Team introduced a sustainability accreditation process to help distinguish how environmental, social and governance (ESG) factors are considered across our products. This is intended to help investors understand the different roles that ESG plays in their investment processes. There are three key sustainability categories <ul style="list-style-type: none"> • Screened - Negative screening beyond cluster munitions, anti-personnel mines and biological and chemical weapons. • Integrated - ESG factors are systematically integrated into the investment process and can be clearly evidenced. • Sustainable - Sustainability is a building block of the investment process. • ESG Integration Schroders embeds ESG into their multi-asset approach through: research with priority sustainability tools and ESG integrated multi-asset research; asset allocation via a 30-year asset class return adjusted for climate change and tactical trade screening for sustainability; stock

selection/engagement with sustainable security selection expertise, active engagement and voting; and ESG measurement through a sustainability budget and measurement through a variety of lenses.

Schroders measure in quarterly reports the sustainability and carbon reporting metrics using their inhouse SustainEx. SustainEx measures the net benefits or harms to society that companies create per \$100 of revenue they produce, expressed as a percentage. For this DGF, a SustainEx score of +2.0% means that the aggregated companies in the active equity, credit, high yield, convertible bond and alternative energy holdings add \$2.0 of benefit to society for every \$100 of sales relative to the comparator.

- **Active Ownership – Schroder Diversified Growth Fund (1 year to 31 March 2022)**

Schroders report quarterly on their active ownership. We have provided the period to 31 March 2022 as the year period to 29 April 2022 is unavailable.

Over the period Schroders participated in 1,118 engagements discussing 1,347 topics consisting of 9% Social, 12% Environmental and 79% Governance issues.

Over the year period to March 2022, Schroder were eligible to vote at 123 meetings and on 1,680 proposals. Schroder voted on 95.8% of proposals. 89.5% of their votes were with management, 5.4% of their votes were against and 0.1% of resolutions were abstained from voting.

The top 10 engagement topics consisted of remuneration, board structure, diversity, climate change, accounting practice corporate strategy, transparency & disclosure, governance oversight, ESG governance & sustainability strategy.

- **References**

More information can be found in the following documents:

- Schroder DGF quarterly investment reports.
- Integrating Sustainability into Schroder Diversified Growth Fund