CRU International Limited Pension and Assurance Scheme - Implementation Statement – 31 March 2024

Purpose

This statement provides information on how, and the extent to which, the Trustees' policies in relation to the exercising of rights (including voting rights), attached to the Scheme's investments and engagement activities have been followed during the year ended 31 March 2024 ("the reporting year"). In addition, the statement provides a summary of the voting behaviour and most significant votes cast by investment managers on behalf of the Scheme during the reporting year.

Background

During 2019, the Trustees received training on Environmental, Social and Governance ("ESG") issues from their Investment Adviser, XPS Investment ("XPS"), and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers' own equivalent policies.

The Trustees also received subsequent information from XPS on new requirements for the Scheme's SIP, including the need to address stewardship in more detail, and the need to explain the incentives the Trustees use to encourage the investment managers used by the Scheme to align their investment strategies with the Trustees' policies and to ensure that decisions are based on long-term performance.

The Trustees' new policies were documented in the updated Statement of Investment Principles dated September 2020.

The Scheme's Statement of Investment Principles ("SIP") was updated in May 2024 to reflect the strategic decisions made by Trustees in relation to the Scheme's investment portfolio and additional stewardship requirements following guidance from the Department of Working Pensions (DWP). This version is awaiting signing.

Manager selection exercises

One of the main ways in which the Trustees' updated policies is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

Over the reporting year, the Trustees completed a full disinvestment from the Invesco Multi Sector Credit Fund and proceeded to invest all proceeds into the BlackRock Multi Strategy Credit Fund, following advice from XPS. The Schroders IS Limited ("Schroders") Structured Equity was also restruck in November 2023. The Trustees remain happy with the appointment of Schroders and their ESG capabilities.

ESG issues will be kept under review as part of the monitoring process and the Trustees will communicate any concerns with the relevant investment manager organisations when, for example, they present at meetings.

Ongoing governance

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees' requirements as set out in this statement.

Over the reporting year the Trustees received assurance from their investment managers that the managers were effectively undertaking stewardship activities on their behalf. Further details on stewardship and engagement activities from the managers is noted below in this report.

Beyond the governance work currently undertaken, the Trustees believe that their approach to ESG matters will evolve over time based on factors including developments within the industry. In particular, whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the managers.

Adherence to the Statement of Investment Principles

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme obtains the majority of its exposure to equities using a structured equity mandate, which obtains synthetic exposure to underlying equity markets. This means that the structured equity manager does not have the ability to vote on matters related to the underlying companies it has exposure to and, therefore, no voting information can be provided in relation to that mandate. Physical equity holdings will form a material part of the Scheme's diversified growth funds' allocations, however. A summary of the voting behaviour and most significant votes cast by Legal and General Investment Management ("LGIM") is disclosed below.

In order to ensure sufficient oversight of the engagement and voting practices of their managers, the Trustees may periodically meet with their investment managers to discuss engagement which has taken place. The Trustees will also expect their investment adviser to engage with the managers from time to time as needed and report back to the Trustees on the stewardship credentials of their managers. The Trustees will then discuss the findings with the investment adviser, in the context of their own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustees recognise the Code as an indication of a manager's compliance with best practice stewardship standards.

Whilst the Trustees have not, to date, introduced specific stewardship priorities, they will monitor the results of those votes deemed by the managers to be most significant in order to determine whether specific priorities should be introduced and communicated to the manager.

As the Scheme invests in pooled funds, the Trustees acknowledge that they cannot directly influence the policies and practices of the companies in which the pooled funds invest. They have therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment managers.

This voting information has been provided by the investment managers. The Trustees consider votes to be significant on the basis they are linked to key ESG issues including, but not limited to: climate change; other climate issues such as natural capital; executive remuneration; governance; independence; modern slavery or other factors such as the size of the holding.

Where the manager has provided a selection of significant votes, the Trustees have reviewed the rationale for significant votes provided by the managers and are comfortable with the rationale provided, and that it is consistent with their policy. The Trustees, with the help of XPS, have considered the information the investment managers have been able to provide on significant voting, and have deemed the below information as most relevant.

Disclaimer: Neither XPS nor the Trustees have vetted these votes. These summaries have been provided by the investment manager(s) and any reference to "our", "we" etc. is from the investment manager's perspective.

LGIM Dynamic Diversified Fund

Voting information
LGIM Dynamic Diversified Fund
The manager voted on 99.8% of resolutions of which they were eligible out of 98900 eligible votes.
Investment Manager Client Consultation Policy on Voting
LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients. Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.
Investment Manager Process to determine how to Vote
All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.
How does this manager determine what constitutes a 'Significant' Vote?
As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information. In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to: • High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny; • Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote; • Sanction vote as a result of a direct or collaborative engagement; • Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications. The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions. If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: https://vds.issgovernance.com/vds/#/MjU2NQ==/
Does the manager utilise a Proxy Voting System? If so, please detail
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 we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice. We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

Top 5 Significant Votes during the Period

Company	Voting Subject	How did the Investment Manager Vote?	Result
Microsoft Corporation	Resolution 1.06 - Elect Director Satya Nadella	Against	N/A
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Apple Inc.	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against	Fail

LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Prologis, Inc.	Resolution 1j - Elect Director Jeffrey L. Skelton	Against (against management recommendation)	N/A
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			
Shell Plc	Resolution 25 - Approve the Shell Energy Transition Progress	Against (against management recommendation)	80% (Pass)
LGIM continues to undertake extensive engagement with Shell on its climate transition plans			
American Water Works Company, Inc.	Resolution 5 - Oversee and Report a Racial Equity Audit	For (against management recommendation)	N/A
LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.			

Schroders Structured Equity Mandate

Due to the nature of the fund, where it obtains its equity exposure using derivatives, there is no voting information available for the mandate.

BlackRock Multi-Strategy Credit Fund

Due to the nature of the fund, there is no voting information available for the mandate.

Engagement activity

In order to monitor engagement undertaken by the investment manager(s), the Trustees have collected the following information.

Disclaimer: Neither XPS nor the Trustees have vetted this information and/or examples. These summaries have been provided by the investment manager(s) and any reference to "our", "we" etc. is from the investment manager's perspective.

LGIM AAA-AA-A Bonds-All Stocks Index

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	50
How many engagements took place over the last 12 months which were relevant to this strategy?	118

The section below provides an example of where the investment manager has engaged with the underlying companies that the Scheme invests in over the course of the reporting year.

Name of entity you engaged	JP Morgan Chase
Year engagement was initiated	Not disclosed.
Topic of Engagement	Environment: Climate change (Climate Impact Pledge)

Your rationale/objective(s) from the engagement	We believe banks have a prominent role to play in financing the global transition to net zero. As one of the world's leading financial institutions with an extensive financial geographical footprint, including in emerging markets, JPMorgan's commitments to green financing have a big potential impact across many emitting sectors. We have therefore selected the bank as one of our 'in depth' engagement companies under the Climate Impact Pledge. At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations, and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). Our Climate Impact Pledge 'red lines' for banks are: - Does the company have restrictions around financing/investing in thermal coal, including new thermal coal projects? - Does the company disclose its scope 3 emissions associated with its financed emissions? - Does the company disclose its climate-related lobbying activities, including trade association memberships, and explain the action it will take if these are not aligned with a 1.5°C scenario? UN SDG 13 - Climate action
Please describe your engagement method i.e. What has been done.	In 2020, following more than three years of dedicated engagement by LGIM, JPMorgan announced plans to align its financing of three sectors with the goals of the Paris Agreement. In 2021, they published their interim targets for decarbonisation. In signing up to the Net Zero Banking Alliance, JPMorgan has made a commitment to set targets to transition to net zero greenhouse gas emissions by 2050 or sooner, and to set interim targets for 2030, consistent with a 1.5C trajectory. Our voting at their AGMs and our decisions to publish pre-declarations on certain votes at the company, in order to increase public pressure and clarify our views to the market, have formed a regular feature of our overall engagement. We pre-declared our voting intention on a number of resolutions at JPMorgan's 2022 AGM. These included supporting one of two of the shareholder resolutions on climate change, which we felt was aligned with our expectations. It should also be noted that we chose not to support the other shareholder proposal on climate change as it was drafted in such a way as to seek to micromanage the board – while we agreed with the overall aim, we did not agree with the drafting and details. LGIM maintains a case-by-case approach to shareholder resolutions. Other pre-declarations on their 2022 AGM reflected our concerns with their governance structures. Our

	votes ranged from the rejection of Jamie Dimon's re-election in the dual role of CEO and Chair, the re-election of other directors and auditors, and our dissent regarding their 'Say on Pay' vote, amid uncapped, overly generous pay structures without clear pre-set performance criteria being disclosed. At the bank's 2023 AGM, we supported three climate-related shareholder proposals, reflecting the further steps that we wanted the bank to take; we pre-declared our voting intention. Our other voting decisions reflect our ongoing concerns relating to broader governance topics, including the combined Chair/ CEO roles and remuneration. We will continue to follow developments closely, particularly how these targets are reflected in the bank's financing mix going forward. We continue to engage with the company directly, particularly on their approach to climate change, under our Climate Impact Pledge engagement programme.
Please comment on the outcomes from this engagement so far?	Under our Climate Impact Pledge, we have had in-depth discussions with JPMorgan on their coal policy, their scope 3 emissions and the sectors to which their 1.5 degree alignment applies. We are also monitoring how they meet the commitments they have signed up to under the Net Zero Banking Alliance, which include a commitment to set targets to transition to net zero greenhouse gas emissions by 2050 or sooner, and to set interim targets for 2030, consistent with a 1.5C trajectory. As one of the early banks to disclose sectoral interim targets, these targets were set against the IEA's SDS scenario, quickly becoming outdated following the IEA's publication of its revised Net-Zero Economy 2050 (NZE50) scenario. We therefore pushed the bank to increase the number of sectors covered by its interim targets and review the target ranges and base lines. We have continued to speak to JPMorgan, alongside our climate solutions team at LGIM, engaging in a mutual exchange of views and understanding, including with their climate-focused team in the Centre for Carbon Transition, during 2023. In November 2023, JPMorgan have published their recent climate report, which includes updated targets on 9 sectors, which are now based on the IEA NZE50 scenario, including updated targets on oil & gas and energy mix and absolute emissions disclosures to augment intensity target ranges. We welcome the tightened targets and additional sectors. Following the update to its emissions targets, we encourage the bank to review its coal policy and continue to monitor the company's progress against targets. Transparency and improving disclosures enables investors and the market to assess risks and opportunities related to the climate transition and price these more accurately. Appropriate pricing of climate-related risks and opportunities in the market can also be an important incentive for change.

LGIM Dynamic Diversified Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	1518
How many engagements took place over the last 12 months which were relevant to this strategy?	1911

The section below provides an example of where the investment manager has engaged with the underlying companies that the Scheme invests in over the course of the reporting year.

Name of entity you engaged	Shell PLC
Year engagement was initiated	Not disclosed
Topic of Engagement	Environment: Climate Change
Your rationale/objective(s) from the engagement	At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in these 20 climate-critical sectors. Accordingly, we expect the company to meet our minimum expectations as set out in our relevant Climate Impact Pledge sector guides; companies failing to do so may be subject to voting sanctions (and/ or divestment sanctions, for companies selected for in-depth engagement). We have engaged with Shell Plc for a number of years on climate change; while we also do so as part of the CA100+, we do not lead this engagement with the CA100+ (in the way that we do lead engagements with BP and Fortum) - but we are contributing investors as part of the broader group and frequently exchange views with Shell's co-leads. This is reflected by the most recent letter sent in 2023 to the new CEO with the group's expectations, and signed by LGIM. In terms of current objectives in our engagement with Shell, these include seeking further clarity around future oil and gas production, disclosure on lobbying activities in regions material for their exploration activities, detailed breakdown of upstream and downstream targets, adoption of robust responsible divestment standards and further detail on capital allocation, predominately concerning planned investments in the low carbon business and their respective contribution to Shell's key commitments around the energy transition. UN SDG 13: Climate action
Please describe your engagement method i.e. What has been done.	We voted against Shell's Climate Action Transition Plan in 2021 and were not able to support it in 2022 as although the company had, in our view, made progress regarding climate action, the plan put forward did not meet our expectations for management-proposed 'Say on Climate' votes. Our concerns centred on the company's future plans for oil and gas production, and we would have liked to have seen further disclosure of targets associated with the upstream and downstream businesses. As communicated

	directly to the company, our concerns have not been appropriately addressed and as a result, we didn't support its say-on-climate vote at the 2023 AGM - as directly communicated to their chairman during our most recent in person engagement. The war in Ukraine has brought the question of energy security and affordability to the fore and we have seen this year that many oil & gas companies' climate transition plans, agreed or formulated in previous years, are being questioned and in some cases (for example, BP), revised. Shell had previously planned to drop its oil production by 1-2% per annum to 2030 in order to meet its interim target. However, having disposed of some assets, the company has effectively already met this target, meaning that rather than steadily decreasing their production, they plan to keep it flat to 2030 whilst still maintaining the commitment to halve operational emissions by the same target date At LGIM, while we set clear expectations from companies to set 1.5C aligned targets across their entire value chain of emissions, we do not believe that the sale of assets by high-emitting companies is an effective way to decarbonise the real economy. Our views were partially informed by the collaborative work we had undertaken with members of the Environmental Defence Fund (EDF) ahead of the publication of the "transferred emissions" paper, where significant concerns were raised regarding the responsible management of such carbon intensive assets by less credible operators. In parallel, we were involved in conversations with key investors and NGOs for companies to adhere to responsible divestment standards when disposing of assets – an area we have prioritised in our discussions with Shell and peers.
Please comment on the outcomes from this engagement so far?	In summary, we will continue, through voting and ongoing engagement both as LGIM and as part of the CA100+ group, to drive Shell to strengthen key elements of disclosure and targets, to meet the strategic engagement objectives as set out above.

BlackRock Multi-Strategy Credit Fund

Engagement Information	
How many entities did you engage with over the last 12 months which were relevant to this strategy?	122
How many engagements took place over the last 12 months which were relevant to this strategy?	288

The section below provides an example of where the investment manager has engaged with the underlying companies that the Scheme invests in over the course of the reporting year.

Name of entity you engaged	Ahold Delhaize
Year engagement was initiated	2023
Topic of Engagement	Incentives aligned with financial value creation
Your objective(s) from the engagement	Ahold Delhaize is a Dutch owner and operator of grocery, pharmacy, retail, and liquor store businesses in 10 countries. BIS has engaged with Ahold Delhaize over several years to encourage alignment of its executive compensation policies and disclosures

	with the interests of long-term shareholders, such as BlackRock's clients. At Ahold Delhaize's April 2020 and April 2021 AGM, BIS did not support management's recommendation to approve the prior year's remuneration reports, due to concerns about limited transparency in executive pay policies. Following the 2021 AGM, we engaged with Ahold Delhaize again to share our perspectives around executive remuneration. We were encouraged by the discussion and by the company's intentions, announced ahead of the April 2022 AGM, to increase shareholding requirements of executive officers, rebalance performance-based components of variable pay towards the long-term and to enhance the remuneration disclosures. Informed by this, BIS voted to support the approval of the 2021 remuneration report at the April 2022 AGM.
Please describe your engagement method.	Ahead of the company's April 2023 AGM, BIS engaged with members of Ahold Delhaize's board and senior management team to discuss changes to the executive leadership team that were announced in November 2022 and January 2023. During the engagements, the company shared that it had taken shareholders' feedback – including BlackRock's – into consideration concerning executive remuneration and enhanced disclosures in preparing the 2022 remuneration report. At the April 2023 AGM, BIS supported an advisory vote to approve the 2022 remuneration report in recognition of the year-over-year progress that Ahold Delhaize has made in addressing prior shareholder concerns.
Please comment on the outcomes from this engagement so far?	BIS has been encouraged by Ahold Delhaize's responsiveness to shareholder feedback. We note that the 2022 report discloses several new factors that we find helpful in understanding how the remuneration policy links to shareholder value creation. We also noted an enhanced focus on long-term incentives, with shifts towards variable remuneration. At the company's 2023 AGM, shareholder support for the remuneration report increased from 88.69% the prior year to 94.43%.

Signed: _________________________, Chair of Trustees

Date: ____________________________