

Brit Group Services Limited Retirement Benefits Scheme

Implementation Statement

Barnett Waddingham LLP

September 2021

Purpose of Implementation Statement

This Implementation Statement has been prepared by the Directors of Brit Pension Trustee Limited (the "Trustee") in its capacity as Trustee to the Brit Group Services Limited Retirement Benefits Scheme (the "Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 July 2021.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds and, as such, delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustee reviews the stewardship and engagement activities of the current managers from time to time. No formal review was undertaken during the year and no remedial action was taken during the period.

Each year the Trustee receives and reviews voting information and engagement policies from the asset managers, which they review to ensure alignment with their own policies, alongside preparation of the Implementation Statement.

Having reviewed the above in accordance with their policies, the Trustee is comfortable that the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Voting undertaken on behalf of the Trustee

The Scheme's equity investments are held through a pooled diversified growth fund managed by Ruffer. Ruffer votes on behalf of the Trustee.

The table below provides a summary of the voting activity of undertaken by Ruffer during the year.

Manager	Ruffer
Fund name	Ruffer Total Return 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.
Number of company meetings the manager was eligible to vote at over the year	93
Number of resolutions the manager was eligible to vote at over the year	1,259

Percentage of resolutions the manager voted on	100%
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	90.9%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	2.2%
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	6.9%
Percentage of meetings (for which the manager did vote) voted at least once against management	47.3%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	6.8%

Source: Ruffer

Data shown in the table above is the most recent available at the time of preparing this report and is in respect of the year to 30 June 2021

There are no voting rights attached to the other assets held by the Scheme and therefore there is no voting information shown above for these assets.

Ruffer employs Institutional Shareholder Services (ISS) as its provider of proxy voting services.

Significant votes

The table below shows a selection of significant votes cast by Ruffer during the year ending 30 June 2021. There is currently no definition for what constitutes a “significant vote”, so for this implementation statement the Trustee has delegated to the investment managers to define what a “significant vote” is.

Ruffer Total Return Fund

Ruffer provided 12 votes which they deem to be significant, covering a range of resolution topics. We have included a sample of four votes below.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Fuji Electric	Aena S.M.E	Countryside Properties	American Express
Date of vote	06/08/2020	29/10/2020	05/02/2021	04/05/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.38%	0.70%	1.34%	0.58%
Summary of the resolution	Director independence and cross shareholdings	Resolution relating to company's climate transition plan	Board composition and remuneration	Diversity and inclusion
How the manager voted	Against	For	Abstain	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes, Ruffer had a call with Yoshitada Miyoshi (General Manager Investor Relations) prior to the vote	-	Ruffer wrote to the company explaining their decision prior to the AGM	-

<p>Rationale for the voting decision</p>	<p>Ruffer expressed their concern regarding three members of the board which the Company considers to be independent. Two of the directors have worked at companies linked by cross shareholding within the past five years, and one has a recent connection with an important lender to the company. Ruffer reminded the company of their concerns about cross shareholdings more generally, and how they increase the need for truly independent outside directors. Ruffer voted against three board members, Mr Hiramatsu, Mr Takaoka and Mr Tachikawa, at the 2020 AGM.</p>	<p>Ruffer voted for three shareholder resolutions requesting that the company submits its climate transition plan to a shareholder advisory vote at its 2021 AGM and provides updates to its plan on an annual basis from 2022. Ruffer believe that climate change-related risks may be significant for the long-term performance of Aena.</p>	<p>Ruffer met with David Howell (Chair of the Board) and Amanda Burton (Chair of the Remuneration Committee) to discuss the company's capital allocation strategy, sharing their view that the company would benefit from a non-executive director with a proven track record in capital allocation. Ruffer attach significant importance to the company's strategy, board composition and executive remuneration as they deem addressing these to be essential for the long-term success of Countryside and all stakeholders.</p>	<p>Ruffer supported a shareholder resolution that requires the company to annually publish a report assessing Diversity, Equity, and Inclusion Efforts. Whilst American Express is taking meaningful steps to increase its workforce diversity and promote inclusion, reporting of its diversity statistics has room for improvement. Diversity feeds into social considerations when investing, under the guise of human capital and social opportunities and consequently, improvement in disclosure would benefit shareholders in assessing the company's long-term value and reputational and legal risks.</p>
<p>Outcome of the vote</p>	<p>Re-election of Mr Tachikawa passed with 90.4% support, re-election of Mr Hiramatsu passed with 77.3% support, re-election of Mr Takaoka passed with 84.3% support.</p>	<p>The 3 resolutions passed with 99.2%, 98.1% and 96.5% shareholder support.</p>	<p>Re-election proposals passed with a range of 78-93% shareholder approval for votes.</p>	<p>The resolution passed with 59.7% votes in favour.</p>

<p>Implications of the outcome</p>	<p>Ruffer see improvements in governance within the business as a potential catalyst and will continue to engage on these issues.</p>	<p>Management have committed to giving shareholders an annual vote on its climate transition plan, which is a significant step and Aena is the first company to do so.</p>	<p>Whilst Ruffer value the engagements with the non-executive directors so far, they have not received acknowledgement that their concerns will be addressed. Consequently, they decided to abstain on their votes in relation to the re-election of all non-executive directors. They wrote to the company explaining their decision prior to the AGM and will continue to engage ahead of the upcoming remuneration consultation.</p>	<p>Ruffer will continue to vote on shareholder resolutions that improve transparency over Diversity, Equity, and Inclusion Efforts.</p>
<p>On which criteria has this vote been assessed to be “most significant”</p>	<p>Ruffer believe that votes against the election of directors for material holdings are significant. These arise after discussion between members of Ruffer’s research, portfolio management and responsible investment teams.</p>	<p>Ruffer believe this vote will be of particular interest to their clients. The shareholder resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.</p>	<p>Ruffer believe that votes abstaining or against the re-election of directors for material holdings are significant. These arise after discussion between members of the research, portfolio management and responsible investment teams.</p>	<p>Ruffer believe this vote will be of particular interest to their clients. The shareholder resolutions aimed to increase the transparency of the company's Diversity, Equity, and Inclusion Efforts.</p>

Source: Ruffer

Fund level engagement

Manager	Ruffer	Insight
Fund name	Ruffer Total Return Fund	Insight Buy and Maintain Bond Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	28	Data not provided, however the manager did note that they engaged with 88 entities during the year in relation to this particular fund
Number of engagements undertaken at a firm level in the year	41	793
Examples of engagements undertaken with holdings in the fund	Ruffer engaged with companies on a number of topics during the year, such as climate impact, board effectiveness and labour rights.	Insight have engaged with companies on a number of topics, such as climate change and governance

Source: fund managers

Data shown in the table above is the most recent available at the time of preparing this report and is in respect of the year to 30 June 2021

The Trustee believes that there is very limited scope for engagement in relation to the Insight Gilt funds, and therefore there is no information shown above for these funds.

Based on the information received, the Trustee believes that the fund managers have acted in accordance with the Scheme's stewardship policies. The Trustee is supportive of the key voting action taken by the fund managers over the period to encourage positive governance changes in the companies in which the funds hold shares.

The Trustee and its investment consultant are working with the fund managers to provide additional information in future in order to enhance their ability to assess the fund managers' actions.

**Prepared by the Trustee of the Brit Group Services Limited Retirement Benefit Scheme
September 2021**