

Sleepeeze Retirement Benefits Plan 1975

Implementation Statement

This Implementation Statement has been prepared by Sleepeeze Pension Trustee Limited as the Trustee of the Sleepeeze Retirement Benefits Plan 1975 ("the Plan") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year to 31 March 2022; and,
- The voting behaviour of the Trustee, or that undertaken on its behalf, over the year.

How voting and engagement policies have been followed

The Trustee delegates responsibility for carrying out voting and engagement activities to the Plan's investment managers.

Rights (including voting rights) have been exercised by the investment managers in line with the investment managers' general policies on corporate governance, which reflect the recommendations of the UK Stewardship Code, and which are provided to the Trustee from time to time. The Trustee expects the investment managers to engage with companies in relation inter alia to ESG matters and to take these into account in the selection, retention and realisation of investments where appropriate.

The Trustee is comfortable with the investment managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor.

Annually the Trustee receives and reviews voting information and engagement policies from the asset managers. The managers' prevailing documentation has been reviewed alongside the preparation of this statement.

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

Additional information on the voting and engagement activities carried out for the Plan's investments is provided on the following pages.

**The Trustee of the Sleepeeze Retirement Benefits Plan 1975
July 2022**

Voting Data

Voting only applies to equities held by the Plan, which solely applies to the Ruffer Absolute Return Fund. The table below provides a summary of the voting activity undertaken over the year to 31 March 2022, together with information on the proxy advisor used by Ruffer.

At the beginning of the period, the Plan was invested in a segregated portfolio with Ruffer. In the fourth quarter of 2021, the Plan disinvested from the fund and later invested in the pooled version of Ruffer's Absolute Return Fund. The voting and engagement data provided in this report represents the pooled fund. Despite the pooled fund not being held for the duration of the year, the Trustee believes this is proportionate and reasonable given the high degree of similarity in how the portfolios are managed, which results in a high proportion of mutual voting and engagement activities between the pooled fund and the segregated account.

Manager	Ruffer
Name	Absolute Return Fund
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	96
Number of resolutions the manager was eligible to vote on over the year	1307
Percentage of resolutions the manager voted on	100%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	91.8%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	6.4%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	1.8%
Does the manager use proxy advisors?	Ruffer considers research and recommendations provided by Institutional Shareholder Services (ISS). However, Ruffer do not delegate stewardship activities and retain ultimate discretion in line with their own guidelines.
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	6.8%

There are typically no voting rights attached to the other assets held by the Plan and therefore there is no voting information shown above for these assets. However, during the year, we are aware of a small number of votes taking place for the Janus Henderson Multi Asset Credit Fund. Data on these votes has not been forthcoming despite efforts made by our Investment Consultants. On the grounds of financial materiality and the fact that the Plan disinvested from this fund during the year, detail on these votes has not been included in this statement.

Significant votes

The Trustee has delegated to the investment manager to define what a “significant vote” is. A summary of the data they have provided is set out below. The significant votes reported in the below table have been confirmed by the investment manager to be applicable to both the segregated account and the pooled fund and are therefore all relevant to the Plan over the period.

Ruffer define ‘significant votes’ as those that they think will be of particular interest to clients. In most cases, these are when they form part of continuing engagement with the company and/or they have held a discussion between members of the research, portfolio management and responsible investment teams to make a voting decision following differences between the recommendations of the company, ISS and their internal voting guidelines.

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell	Ambev	Centene
Date of vote	18 May 2021	29 April 2021	27 April 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.3%	1.1%	1.2%
Summary of the resolution	Vote on management resolution relating to the company's climate transition plan	Vote on remuneration policy	Vote on election of independent director
How the manager voted	For	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Not applicable	Yes	No
Rationale for the voting decision	The decision was made in the context of the progress Shell has made as a result of engagement and the commitment of the company leadership to continue to meaningfully engage on the remaining areas of Climate Action 100+.	The company asked to increase its annual remuneration cap by 11.2%. The company only used 64% of its cap in 2020 and 75% of its cap in 2019. Ruffer did not believe approving the increase would be warranted.	Ruffer voted against the re-election of non-executive directors - Frederick Eppinger and David Steward - whom, due to their tenure on the board, we no longer considered to be independent.
Outcome of the vote	The resolution passed with 88.7% votes in favour.	The resolution passed with 86.5% votes in favour.	Re-election proposals passed with a 93.2% and 98.8% shareholder approval for votes respectively.
Implications of the outcome	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives.	Ruffer will continue to vote against remuneration policies that they deem to be inappropriate in the context of the circumstances of the company.	Ruffer will continue to vote against the re-election of directors where they have concerns about their independence.

Criteria on which the vote is considered "significant"	The management resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.	The vote against management was in the context of engagement with the company and the result of extensive internal discussions.	Votes against the election of directors for material holdings are significant.
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Fund level engagement

Information relating to fund level engagement policies was requested from the Plan's investment managers. The tables below provide a summary of the engagement activity undertaken by managers during the year, along with examples.

Direct engagement is not undertaken for the holdings in the Sterling Liquidity Fund and Liability Driven Investments held by the Plan due to the nature of the assets and therefore there is no information shown below for these assets.

Manager	Janus Henderson*	Legal & General Investment managers	Ruffer
Fund name	Multi Asset Credit Fund	Absolute Return Bond Fund	Absolute Return Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	117	This data was not provided at a fund level	26
Number of engagements undertaken at a firm level in the year	1000+	696	41

Manager	Janus Henderson*	Legal & General Investment managers	Ruffer
<p>Examples of engagements undertaken with holdings in the fund</p>	<p>Janus Henderson has been engaging with Coventry Building Society on the development of their internal ESG framework and to assess their progress.</p> <p>Janus Henderson discussed their ESG journey in detail but noted that more work was required to set measurable and tangible targets.</p> <p>Since the new CEO joined in 2020, ESG has gained much more of a strategic focus and they were looking for feedback from a range of stakeholders.</p> <p>Coventry were honest with progress and displayed genuine interest in making positive steps towards creating realistic targets/metrics on their way to net zero in 2030.</p>	<p><i>No fund level examples were provided but an example of LGIM's engagement as a firm is shown below.</i></p> <p>LGIM has been engaging the European Commission (EC) on various ESG policy related topics. For example, they have collaboratively engaged with other investors on the EU Taxonomy, particularly in relation to the agricultural sector, alignment on net zero, and ensuring that the original independent scientific-based recommendations are not weakened through political processes. This highlights how LGIM's engagement efforts extend beyond the company-level. Indeed, there are also examples where they have engaged with index providers.</p>	<p>Ruffer engaged with Carrefour on governance issues including board composition and remuneration.</p> <p>Ruffer expressed their view that the remuneration scheme is poorly designed and administered with too much discretion. Ruffer also expressed their view that the policy and structure needs to be more robust and transparent.</p> <p>Ruffer subsequently voted against the remuneration policy, and the Chair of the Remuneration Committee, at the AGM and informed management of their vote.</p>

*Janus Henderson data is in respect to the year up to 31 December 2021 as the investment manager currently provides data on an annual basis.