

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 2023; and,
- The voting behaviour of the Trustee, or that undertaken on its behalf, over the year.

Stewardship policy

On 11 February 2023 the Plan entered into a buy-in policy with Legal and General Assurance Society (LGAS). As such, the vast majority of the Plan's assets are now invested in the buy-in policy with LGAS, with a small residual allocation to gilts remaining. Therefore, the Trustees have decided not to set stewardship priorities for the Plan as, unless there is a significant change to the Plan's investment strategy in the future, there will be limited scope for stewardship on the Plan's investments. This also means that the Trustee has not submitted any expression of wishes to its fund managers in relation to their stewardship activities.

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. The Plan held assets with Ruffer up until October 2022. As at the period end, it continues to hold investments with Legal and General Investment Management (LGIM); however, the vast majority of these were sold when the Plan entered into a buy-in policy in February 2023.

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 August 2023

Voting Data

Voting only applies to equities held by the Plan, which solely applied to the Ruffer Absolute Return Fund during the period. The table below provides a summary of the voting activity undertaken over the year to 31 March 2023, together with information on the proxy advisor used by Ruffer.

During the period, up until October 2022, the Plan was invested in a pooled version of Ruffer's Absolute Return Fund. The Plan also had a very small holding remaining in their segregated Ruffer account, which was mostly disinvested in the fourth quarter 2021. The Plan fully disinvested from Ruffer as part of preparations to transact the buy-in policy. For the avoidance of doubt, the table below provides information for the year ending 31 March 2023, and so covers the period between the Plan disinvesting from the fund and the Plan year-end.

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	77
Number of resolutions the manager was eligible to vote on over the year	1305
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	94.2%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	5.7%
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	0.1%
Does the manager use proxy advisors?	Ruffer consider 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	7.1%

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.

Significant votes

As the Trustee has decided not to set specific stewardship priorities and given the limited scope for meaningful stewardship following the buy-in, the Trustee believes it is reasonable to use Ruffer's definition of a "significant vote".

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 difference between the recommendations of the company, ISS and their internal voting guidelines.

As stated earlier, the Plan disinvested from Ruffer in October 2022. Therefore, all votes below have been selected before this date. In the absence of a specific voting policy set by the Trustees, "most significant" has been defined here as significant votes on the three largest holdings.

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	BP Plc	Cigna Corporation	Bristol-Myers Squibb Company
Date of vote	12 May 2022	27 April 2022	3 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.10%	1.54%	1.15%
Summary of the resolution	Environmental - Approve Shareholder Resolution on Climate Change Targets	Social Shareholder Resolution- Report on Gender Pay Gap	Governance - Require Independent Board Chair
How the manager voted	Against	Against	For
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Ruffer engaged with the company ahead of the AGM.	No	No
Rationale for the voting decision	Ruffer voted in line with ISS and management. They have done extensive work on BP's work on the energy transition and climate change, and they think BP are industry leading. Ruffer support management in their effort to provide clean, reliable, and affordable energy and therefore they voted against the shareholder resolution.	Cigna uses an "equal pay for equal work" statistic and reports that there are no material differences in pay data related to gender or race. Although the statistic is subjective in that it allows the company to define what it considers an "equal job," the company does report its gender representation statistics and it additionally set a parity goal for leadership positions. As such, Ruffer believe that shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, support for this resolution is not warranted at this time.	Ruffer's policy is to encourage the separation of the CEO & Chairman roles. This motion calls for the roles to be separated at the end of the current CEO/Chairman's term and these motions have been on the table for years, so the company should have time to manage the transition with limited disruption. Therefore, support for this proposal is warranted at this time.

Outcome of the vote	The resolution failed with 85.1% votes against.	The resolution failed with 66.8% votes against.	The resolution failed with 54.9% votes against.
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 which are currently in place and will vote against shareholder resolutions which it deems unnecessary.	Ruffer will continue to vote on shareholder resolutions that affect transparency over Diversity, Ethnicity, and Inclusion Efforts.	Ruffer will continue to engage with the company on governance issues and vote in favour of policies that favour a split between the CEO and Chairman roles.
Criteria on which the vote is considered "significant"	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide clean, reliable, and affordable energy.	Ruffer believe this vote will be of particular interest to their clients. They support management in their effort to provide accurate and transparent information on gender pay gaps.	Ruffer believe this vote will be of particular interest to our clients. The management resolution aimed to increase the diversity on the board structure by separating out the roles.

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. For the avoidance of doubt, the table below provides information for the year ending 31 March 2023, and so covers the period between the Plan disinvesting from the funds listed below and the Plan year-end.

Direct engagement is not undertaken for the holdings in the Sterling Liquidity Fund and Liability Driven Investments (including gilts) that were held by the Plan over the course of the year due to the nature of the assets and therefore there is no information shown below for these assets.

Manager	Legal & General Investment managers	Ruffer
Fund name	Absolute Return Bond Fund Buyout Aware Funds*	Absolute Return 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

Manager	Legal & General Investment managers	Ruffer
Number of engagements undertaken on behalf of the holdings in this fund in the year	This data was not provided at a fund level	13
Number of engagements undertaken at a firm level in the year	1088	15

No fund level examples were provided but an example of LGIM's engagement as a firm is shown below.

Examples of engagements undertaken with holdings in the fund

In light of their ongoing concerns at Glencore, LGIM are co-filing a shareholder resolution at Glencore's 2023 AGM, requesting that the company disclose how its thermal coal production is aligned with the Paris Agreement. As one of the world's largest diversified mining companies, LGIM believe Glencore has a key role to play in the energy transition.

LGIM have been engaging with the company under their Climate Impact Pledge, and this escalation reflects their concerns about the company's trajectory to net zero. Filing a resolution puts pressure on companies and encourages them to discuss and resolve issues with LGIM. Where LGIM have filed proposals in the past, they have found that they have been an effective means of escalation – both at the individual company level and for market-wide change more broadly.

Ruffer intensively engaged with ArcelorMittal on environmental issues including reducing greenhouse gas emissions and implementing a strong governance framework which articulates the board accountability and oversight of climate change risk and opportunities.

Ruffer will continue their engagement with ArcelorMittal on its progress to the Climate Action 100+ Net-Zero Benchmark, focusing on climate-related lobbying, governance, and medium-term greenhouse gas emissions reduction targets as their core priorities. They will also continue to engage on the science-based emissions reduction targets and the company's remuneration policy.

* The Plan invested in LGIM's Buyout Aware (BOA) fund range in December 2022. These funds themselves invest in other LGIM corporate bond funds and so engagement within the BOA funds is achieved indirectly through these.