

Fellowes Limited Retirement Benefits Scheme
Implementation Statement (forming part of the Trustees' annual report)

Fellowes Ltd Retirement Benefits Scheme
Implementation Statement
Year Ended 5 April 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Scheme	Fellowes Retirement Benefits Scheme
Scheme Year	6 April 2024 to 5 April 2025
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

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Relevant investments

The Scheme's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in L&G funds which included an allocation to equities. The Scheme's Additional Voluntary Contributions (AVC) and the Defined Contribution Sections (which represent c.10% of Scheme assets) were invested in the Prudential With-Profits Fund at the end of the year, which also has an allocation to equities. Prudential is part of M&G and therefore, the Trustees have also considered M&G's voting record as part of this document.

The Trustees' policy relating to the exercise of rights

Summary of the policy

The Trustees' policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment managers' own policies on such matters.
- When selecting a fund, the Trustees consider amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

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Has the policy been followed during the Scheme Year?

The Trustees' opinion is that their policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustees did not select any new funds during the period.
- During the Scheme Year, the Trustees considered the voting records of the investment managers over the period ended 31 March 2024.
- Since the end of the Scheme Year, an updated analysis of the voting records of the investment managers based on the period ended 31 March 2025* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment managers used by the Scheme are signatories to the UNPRI.

**Note the voting analysis was over the year ended 31 March 2025 because this was the most recent data available at the time of preparing this statement. The Trustees are satisfied that the analysis provides a fair representation of the investment managers voting approach over the Scheme Year.*

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The investment managers' voting record

A summary of the investment managers' voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
L&G	120,000	76%	23%	1%
M&G	20,000	92%	7%	1%

Note

These voting statistics are based on each manager's full voting record over the 12 months to 31 March 2025 rather than votes related solely to the funds held by the Scheme.

Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
L&G	Several advisers	Uses ISS for research and voting administration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.
M&G	ISS	Proxy voting adviser used for research and general administration. Manager has developed custom voting service, with the help of the adviser, to reflect its public voting policy.

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The investment managers voting behaviour

The Trustees have reviewed the voting behaviour of the investment managers by considering the following:

- Broad statistics of their voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- The votes they cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe;
- The investment managers policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustees have also compared the voting behaviour of the investment managers with their peers over the same period.

Further details of the approach adopted by the Trustees for assessing voting behaviour are provided in the Appendix.

The Trustees' key observations are set out below.

Voting in significant votes

Based on information provided by the Trustees' Investment Adviser, the Trustees have identified significant votes in nine separate categories. The Trustees consider votes to be more significant if they are closely contested, i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Scheme's investment managers are listed in the Appendix. In addition, the Trustees considered each investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Scheme).

Analysis of voting behaviour

The Net Zero Asset Managers initiative ("NZAM") brings together asset managers committed to the goal of achieving net-zero greenhouse gas emissions by 2050 as per the Paris Climate Agreement. In January 2025, following announcements of some managers exiting the agreement, NZAM announced a review of their overarching policies, which is ongoing.

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Appendix

Significant votes

The table below records how the Scheme's investment managers voted in the most significant votes identified by the Trustees.

Company	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	L&G	M&G
Audit & Reporting						
HAYS PLC	20/11/2024	Re-appoint PricewaterhouseCoopers LLP as Auditor of the Company	80	20	Not held	For
SWISS LIFE HOLDING	15/05/2024	Appoint the Auditors	80	19	Against	Not held
TOTALENERGIES SE	24/05/2024	Appoint EY as the Auditors of Sustainability Reporting	75	19	For	For
SALESFORCE.COM INC	27/06/2024	Appoint the Auditors	81	18	Against	For
COMPAGNIE FINANCIERE RICHEMONT SA	11/08/2024	Appoint the Auditors	79	18	Against	Against
Shareholder Capital & Rights						
EVOKE PLC	13/05/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	72	28	Not held	For
HAYS PLC	20/11/2024	Issue Shares with Pre-emption Rights	74	26	Not held	For
ENERGEAN PLC	23/05/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	76	24	For	For
XP POWER LTD	25/04/2024	Issue Shares with Pre-emption Rights	76	24	Not held	For
GRUUS PLC	20/11/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	77	23	Not held	For
Pay & Remuneration						
AIXON ENTERPRISE INC	10/05/2024	Advisory Vote on Executive Compensation	50	49	Not held	Against
ALCON AG	08/05/2024	Approve the Remuneration Report	49	49	Against	For
PAOLO ALTO NETWORKS	10/12/2024	Advisory Vote on Executive Compensation	50	49	Against	For
WARNER BROS DISCOVERY INC	03/06/2024	Advisory Vote on Executive Compensation	53	46	Against	Against
3M COMPANY	14/05/2024	Advisory Vote on Executive Compensation	45	54	Against	Against
Constitution of Company, Board & Advisers						
UBER TECHNOLOGIES INC	06/05/2024	Elect David L. Truglio - Non-Executive Director	56	44	Against	For
ALEXANDRIA RE EQUITIES INC	14/05/2024	Elect James P. Cain - Non-Executive Director	57	43	Against	Against
CBDO GLOBAL MARKETS INC	16/05/2024	Right to Call Special Meeting	60	39	Against	Not held
THE COCA-COLA COMPANY	01/05/2024	Elect Thomas S. Gayner - Non-Executive Director	61	39	Against	For
CLARKSON PLC	09/05/2024	Re-elect Dr. Tim Miller - Non-Executive Director	62	38	Not held	For
Merger, Acquisition, Sales & Finance						
FORESIGHT GROUP HOLDINGS LIMITED	02/08/2024	Approve the Waiver of Rule 9	70	30	Not held	For
HOHEVCOMB INVESTMENT TRUST	13/06/2024	Approve the Waivers of mandatory offer provisions set out in Rule 9 of the Code	49	22	Not held	For
SYMRISE AG	15/05/2024	Authority to issue bonds with warrants and/or convertible bonds; or create a conditional capital and related amendments to the articles of association	86	14	For	Not held
GREENCOAT UK WIND PLC	24/04/2024	Approve the Discontinuation of the Company	11	88	Not held	Against
APAL GLOBAL ALPHA LIMITED	01/05/2024	Approve the Winding up of the Company	11	89	Against	Against
Climate Related Resolutions						
REPSOL SA	09/05/2024	Advisory Vote on the Company's Energy Transition Strategy	70	21	Against	Not held
PENNIN GROUP PLC	24/07/2024	Climate-Related Financial Disclosures	80	18	Not held	For
TOTALENERGIES SE	24/05/2024	Opinion on the Sustainability & Climate - Progress Report 2024	94	4	Against	Against
ESSENTIA PLC	23/05/2024	Approve the Climate Transition Action Plan	97	2	Not held	For
UNILEVER PLC	01/05/2024	Say on Climate	91	2	For	Y
Other Company Resolutions						
ENERGEAN PLC	23/05/2024	Meeting Notification-related Proposal	78	22	For	For
NCC GROUP PLC	28/01/2025	Approve Political Donations	81	19	Not held	For
SMITHS NEWS PLC	16/01/2025	Approve Political Donations	76	17	Not held	For
BAE SYSTEMS PLC	09/05/2024	Approve Political Donations	87	13	For	For
HALFORDS GROUP PLC	06/09/2024	Approve Political Donations	88	12	Not held	For
Governance & Other Shareholder Resolutions						
ABBVIE INC	03/05/2024	Simple Majority Voting	49	51	For	Against
HUMANIA INC.	18/04/2024	Introduce Majority Voting for Director Elections	51	49	For	Against
DELCOM INC	22/05/2024	Transparency in Lobbying	51	48	For	For
WARNER BROS DISCOVERY INC	03/06/2024	Right to Call Special Meetings	52	48	For	For
CIGNA CORPORATION	24/04/2024	Right to Call Special Meetings	48	51	For	For
Environmental & Socially Focused Shareholder Resolutions						
AMERICAN TOWER CORPORATION	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	For	For
NETFLIX INC	06/06/2024	Report on Netflix's Use of Artificial Intelligence	49	56	For	For
QUEST DIAGNOSTICS INCORPORATED	16/05/2024	Climate Change Targets	42	57	For	For
CRTAS CORPORATION	29/10/2024	Shareholder Resolution: Political Disclosure	39	60	For	Not held
GENERAL MILLS INC	24/09/2024	Report on the use of plastic	39	58	For	For

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

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■ Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustees believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustees' behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustees have not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Scheme's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustees are satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustees have concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

The Trustees' primary objective remains to ensure that the assets are sufficient to pay benefits over the long term. The Trustees regularly review the appropriateness of the Scheme's assets to ensure that they remain consistent with this primary objective. The

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Trustees' view is that over the long term environmental factors have the potential to have a material impact on the Scheme. Environmental factors are one of the themes used by the Trustees when assessing an investment manager's voting records.

Investment manager voting policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links.

[L&G](https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/) – <https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/>

[M&G](#) – [mg-investments-voting-policy-2025.pdf](#)