

# Engagement Policy Implementation Statement for the Year Ended 05 April 2024

## Paper Converting Machine Company LTD Staff Pension Plan (“the Plan”)

### 1. INTRODUCTION

The Engagement Policy Implementation Statement (known as the Statement) presents the Trustee's assessment of their adherence to their engagement policy and their policy concerning the exercise of rights (including voting rights) attaching to the Plan's investments throughout the one-year period ending 05 April 2024 (the “Plan Year”). The Trustee's policies are outlined in their Statement of Investment Principles (SIP). The SIP was last reviewed in July 2023 in order to reflect minor updates to the Trustee's Environmental, Social and Corporate Governance (ESG) policies. A copy of the Trustee's SIP is available on request and online [here](#).

This Statement has been prepared in accordance with the *Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* and the guidance published by the Department for Work and Pensions.

The Trustee has appointed Mercer Limited (Mercer) as the discretionary investment manager and the Plan's assets are invested in a diverse range of specialised pooled funds (known as the Mercer Funds). The management of each of the Mercer Fund's assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE).

The relevant Mercer affiliate is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the assets of each Mercer Fund.

Under these arrangements, the Trustee acknowledges that they do not possess direct authority over the engagement or voting policies and arrangements of the Mercer Funds' managers. Mercer's publicly available [Sustainability Policy](#) outlines how it addresses sustainability risks and opportunities, incorporating ESG factors into the decision making across process. The [Stewardship Policy](#) provides further details on Mercer's beliefs and implementation of stewardship practices.

Mercer's Client Engagement Survey aims to integrate the Trustee's perspectives on specific themes by evaluating the alignment between Mercer's engagement priority areas and those of the Trustee. Additionally, the survey highlights areas of focus that hold importance to the Trustee. The Trustee reviews reports from Mercer regarding the engagement and voting activities conducted within the Mercer Funds to assess the alignment of these with their own.

Section 2 of this Statement outlines the Trustee's engagement policy and evaluates the extent to which it has been followed during the Plan Year.

Section 3 sets out the Trustee's policy regarding the exercising of rights (including voting rights) attached to the Plan's investments. This Section also provides detailed information on the voting activities undertaken by third-party investment managers appointed within the Mercer Funds during the Plan Year.

**Considering the analysis presented in Sections 2 to 3, the Trustee believes that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Plan Year.**

## **2. TRUSTEE'S POLICY ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES, INCLUDING CLIMATE CHANGE**

### **Policy Summary**

The Trustee's ESG beliefs are outlined in Section 9 of the Plan's SIP.

The Trustee reviews Stewardship and Sustainability policies noted above. If the Trustee find that the relevant policies of Mercer, MGIE or the third-party asset managers do not align with their own beliefs they will notify Mercer and consider disinvesting some or all of the assets held in the Mercer Funds. They may also seek to renegotiate commercial terms with Mercer.

The Trustee assesses Mercer against a specific ESG objective as part of an wider annual review of Mercer. In the December 2023 the Trustee assessed Mercer positively on this metric.

### **How the Policy has been implemented over the Plan Year**

The following work was undertaken during the year relating to the Trustee's policy on ESG factors, stewardship and climate change.

<b>Policy Updates</b>	<b>Climate Change Reporting and Carbon Foot-printing</b>	<b>Mercer Ratings</b>
<p>The Trustee reviews how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers within the Mercer Funds, in the monitoring process. Mercer, and MGIE, provide reporting to the Trustee on a regular basis.</p> <p>The Mercer <u>Sustainability Policy</u> is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling</p>	<p>Mercer and the Trustee believes climate change poses a systemic risk, with financial impacts driven by two key sources of change:</p> <ol style="list-style-type: none"> <li>1. The physical damages expected from an increase in average global temperatures</li> <li>2. The associated transition to a low-carbon economy</li> </ol>	<p>Stewardship and active ownership form an important part of Mercer's ratings framework applied during the manager research process.</p> <p>Mercer's ratings include an assessment of the extent to which ESG factors are incorporated in a strategy's investment process as well as the manager's approach to stewardship.</p> <p>Across most asset classes, Mercer ratings are reviewed during quarterly monitoring by the</p>

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section is now detailed in the standalone Task Force on Climate Related Financial Disclosures (TCFD) report.

In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer has implemented a standalone [Stewardship Policy](#) to specifically address the requirements of SRD II. SRD II is a regulatory framework aimed at enhancing shareholder rights and improving corporate governance within the European Union.

The most recent [UN Principles of Responsible Investment](#) results (based on 2022 activity) awarded Mercer with 4 out of 5 stars for Policy Governance and Strategy. The United Nations Principles for Responsible Investment (UN PRI) is a global initiative that provides a framework for incorporating environmental, social, and governance (ESG) factors into investment practices.

The Financial Reporting Council confirmed in February 2024 that MGIE continues to meet the expected standard of reporting and will remain a signatory to the UK Stewardship Code, which represents best practice in stewardship.

Each of these changes presents both risks and opportunities to investors. Mercer therefore considers the potential financial impacts at a diversified portfolio level, in portfolio construction within asset classes, and in investment manager selection and monitoring processes.

In early 2021, Mercer announced its aim to achieve net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer also established an expectation that portfolio carbon emissions intensity would reduce by 45% from 2019 baseline levels and is on track to achieve this. This pledge covers the Plan's invested assets. Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), as described in the [Mercer Investment Solutions Europe - Responsible Investment website](#).

As of 31 December 2023, Mercer are on track to meet our long-term net zero portfolio carbon emissions expectation. There has been a notable 40% reduction over the 4 years since 2019 baseline levels for the Mercer Diversified Growth Fund invested in by the Plan, bringing the 45% baseline-relative reduction by 2030 well within range.

portfolio management teams with a more comprehensive review performed annually. In these reviews, Mercer seek evidence of positive momentum on managers' ESG integration.

These ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee.

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## Approach to Exclusions

Mercer and MGIE's preference is to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions Framework. Controversial weapons and civilian firearms are excluded from active equity and fixed income funds, and passive equity funds. In addition, tobacco companies and nuclear weapons are excluded from active equity and fixed income funds. Some funds have additional exclusions as outlined on the Mercer Investment Solutions Europe - Responsible Investment website.

In addition, Mercer and MGIE monitors for high-severity breaches of the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

## Sustainability-themed investments

An allocation to MGIE's Sustainable Global Equities, is included within the Scheme's Growth portfolio through the Diversified Growth Fund, with the allocation accounting for c.8% of the Diversified Growth Fund Portfolio.

The Mercer annual sustainability report includes more detail on the passive Sustainable Global Equity funds, including a breakdown of the fund against ESG metrics, for example the UN Sustainability Development Goals (SDGs).

## Diversity

Mercer's ambition to promote diversity extends beyond its own business through to the managers it appoints. This is partly assessed within the manager research process and documented in a dedicated section within research reports.

Mercer considers broader forms of diversity in decision-making, but currently report on gender diversity. As of 1 April 2023, 35% of the Key Decision Makers (KDM's) within Mercer Investment Solutions team are non-male, and Mercer's long term target is 50%.

Within the Fixed Income universe, the average fund has 13% non-male KDM's and within the EMEA Active Equity universe, the average is 17%. Figures relating to Mercer Fixed Income and Active Equity Funds are currently slightly ahead or aligned, at 15% and 17%.

In Q3 2022, MGIE became a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023. The 30% Club is a business-led initiative that aims to increase gender diversity on corporate boards and in senior leadership positions.

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## Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustee. [The 2023 Stewardship Report](#) highlights the engagement objectives which have been set, examples of engagement and the escalation process. Mercer also participates in collaborative initiatives related to stewardship.

Mercer conducts an annual Global Manager Engagement Survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed by the Mercer Funds. The survey aims to gather information on managers' broad approach to stewardship as part of their investment integration. It also seeks insights and examples of voting and engagement activities. The results from the survey serve as an important source of information for tracking and measuring the managers' stewardship efforts, assessing effectiveness and identifying potential areas for improvement.

The results and insights from the survey will be shared in Mercer's Annual Stewardship Report. This report is reviewed by the Trustee providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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### 3. TRUSTEE'S POLICY ON EXERCISE OF RIGHTS (INCLUDING VOTING RIGHTS) ATTACHING TO PLAN INVESTMENTS

The Trustee's policy is as follows:

- **Delegation of Investment Management:** The Trustee delegates responsibility for the discretionary investment management of Plan assets to Mercer. The Plan's assets are invested in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager.
- **Reporting of Engagement and Voting:** In order for the Trustee to fulfil their obligations regarding voting and engagement, they require reporting on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustee assess whether the policies align with their own delegation of Voting Rights: Voting rights that apply to the underlying investments attached to the Mercer Funds are ultimately delegated to the third-party investment managers appointed by MGIE. MGIE accepts that these managers are typically best placed to exercise voting rights and prioritise particular engagement topics, given their detailed knowledge of the governance and operations of the invested companies. However, Mercer plays a pivotal role in monitoring the stewardship activities of those managers and promoting more effective stewardship practices, including attention to more strategic themes and topics.
- **Proxy Voting Responsibility:** Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted<sup>1</sup> in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting as part of the selection process, ensuring alignment with Mercer's commitment to good governance and the integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. As such the Trustee does not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Plan's assets are invested in is provided for the year ending 05 April 2024. This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. The statistics are drawn from the Glass Lewis system (via the custodian of the Mercer Funds). Glass Lewis is a leading provider of governance and proxy voting services.

Mercer considers that votes exercised against management can indicate a thoughtful and active approach, particularly when votes are exercised to escalate engagement objectives.

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<sup>1</sup> There are a number of limited circumstances where voting rights may not be exercised relating to, for example, conflicts of interest, share-blocking markets, power of attorney (POA) markets etc.

Fund	Total Proposals		Vote Decision					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
Mercer Passive Emerging Markets Equity Fund	22,915	21,686	79%	16%	1%	4%	0%	82%	18%	2808	52%
Mercer Passive Low Volatility Equity UCITS CCF	4,032	3,954	82%	13%	0%	2%	3%	85%	15%	282	75%
Mercer Passive Global Small Cap Equity UCITS CCF	47,441	45,370	81%	13%	0%	4%	2%	85%	15%	4441	70%
Mercer Passive Global REITS UCITS CCF	3,208	3,084	75%	19%	0%	4%	2%	78%	22%	332	68%
Mercer Passive Climate Transition Infrastructure Equity UCITS CCF	3,239	3,059	69%	24%	2%	3%	1%	74%	26%	295	72%
Mercer Passive Fundamental Indexation Global Equity	3,274	3,232	83%	13%	0%	1%	3%	86%	14%	225	76%
Mercer Passive Sustainable Global Equity UCITS CCF	17,113	16,467	75%	19%	1%	3%	2%	78%	22%	1180	82%

- “Eligible Proposals” reflect all proposals of which managers were eligible to vote on over the period.
- “Proposals Voted On” reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the “Other” category)”
- Vote Decision may not sum to 100 due to rounding. “No Action” reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully.
- “Other” refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).
- “Meetings No.” refers to the number of meetings the managers were eligible to vote at.
- “Meetings Against” refers to the no. of meetings where the managers voted at least once against management, reported as a % of the total eligible meetings.

**Significant Votes:** The Trustee has based the definition of significant votes in line with the requirements of the Shareholder Rights Directive (SRD) II and on Mercer’s Global Engagement Priority themes, The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals).



## Most Significant Votes

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
Mercer Passive Fundamental Indexation Global Equity	Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No - Manager's policy dictates they will support proposals that seek the disclosure of the median pay gap.)	30.9% Support Proposal did not pass. (The shareholder proposal received support of 33.8% of votes cast. Manager will be reviewing whether Apple take further steps in regard to diversity reporting.)
	Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	Against (No - Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.)	1.6% Support Proposal did not pass. (No further steps are planned on this specific topic as we feel that the matter is already addressed.)
	Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (No - Apple appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies. Including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.)	1.3% Support Proposal did not pass. (No further steps are planned on this specific topic as we feel that the matter is already addressed.)
	Microsoft Corporation (2.8%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (No - The company's existing policies prohibit discrimination based on political affiliations, The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. The company prohibits discrimination on the basis of protected class and seeks to promote a culture based on equal opportunity. This proposal is covered by existing policies.)	1% Support Proposal did not pass. (None to report)
	Microsoft Corporation (2.8%)	07/12/2023 : Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	For (No - Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.)	33% Support Proposal did not pass. (We shall monitor the response from the company given the high level of support for this proposal.)
	Microsoft Corporation (2.8%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	Against (No - The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.)	9% Support Proposal did not pass. (None to report.)
	Fedex Corp (1.1%)	21/09/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options (Environmental)	For (No - The proposal would further enable shareholders to determine the strength of company policy, strategy and approach in managing the retirement plan.)	7.6% Support Proposal did not pass. (None to report.)



Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
Mercer Passive Climate Transition Infrastructure Equity UCITS CCF	EDP-Energias DE Portugal S.A. (1.3%)	12/04/2023 : Assessment of 2030 Climate Change Commitment (Environmental)	For (No - The manager supported this proposal as they felt the current level of disclosures are sufficient to allow shareholders to understand and evaluate how the company intends to meet its climate objectives. The company has adopted a net zero ambition and has set reduction targets for its Scope 1, 2, and 3 emissions. The Company also provides reporting aligned with the TCFD and information concerning its scenario analysis. )	100% Support Proposal passed. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
	CenterPoint Energy (1.1%)	21/04/2023 : Shareholder Proposal Regarding Scope 3 Targets (Environmental)	For (No - The manager voted for this resolution is applied as they expect companies to set 1.5 degree aligned targets covering all scopes of emissions.)	18% Support Proposal did not pass. (While there is room for improvement regarding scope 3 targets, the company has made clear progress over recent years. They have committed to Net Zero direct emissions by 2035, driven by an accelerated closure of coal plants replaced by solar, wind and batteries. The manager will continue to engage as the company progresses its commitment.)
	Southern Company (1.3%)	24/05/2023 : Shareholder Proposal Regarding Report on Net Zero 2050 Goal Progress (Environmental)	Against (N/a - A vote against is applied as the manager expects companies to be taking sufficient action on the key issue of climate change.)	Withdrawn (The proposal was withdrawn following the managers' vote.)
	Southern Company (1.3%)	24/05/2023 : Shareholder Proposal Regarding Scope 3 GHG Emissions Targets (Environmental)	For (No - A vote in support of this proposal is warranted as the manager expects increasing transparency of strategy aligned to 1.5C pathway in line with the company's stated commitments. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets. The manager will continue to monitor the Company's commitments and disclosures in this regard.)	19% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
Mercer Passive Global REITS UCITS CCF	Digital Realty Trust Inc (2.9%)	08/06/2023 : Shareholder Proposal Regarding Concealment Clauses (Governance)	For (No - A vote in favour is applied as the manager supports proposals related to improvement in information available in respect of diversity and inclusion policies as the manager considers these issues to be a material risk to companies.  In addition, in June 2022, 45.59% percent of Digital Realty's investors supported the request of this resolution. Since this high vote, the company has not released any additional information on its use of concealment clauses, nor has it agreed to a conversation with the resolution's proponents.)	Withdrawn (The proposal was withdrawn following the managers' vote. The manager will review the proposal if it is tabled again at future AGMs, and continue to monitor the company's D&I disclosure and policies.)

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
	Klepierre (0.4%)	11/05/2023 : Opinion on Climate Ambitions and Objectives (Environmental)	For (N/a - The manager supported this item, given the company's sufficient disclosures and commitments. The company has committed to a net-zero carbon portfolio by 2030 and its carbon reduction targets for Scopes 1 and 2 emissions, and Scope 3 for downstream leased assets was validated by the SBTi as aligned with a 1.5°C scenario.)	93% Support Proposal passed. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
	Public Storage (3.1%)	02/05/2023 : Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement (Environmental)	For (No - A vote in favour is applied as the manager expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.)	35% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
Mercer Passive Global Small Cap Equity UCITS CCF	New York Community Bancorp Inc. (0.0%)	01/06/2023 : Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement (Environmental)	For (No - The manager voted for this proposal, noting the benefits to shareholders of improvements in disclosure around the company's climate lobbying activity in line with the Global standard on responsible corporate climate lobbying.)	94% Support Proposal passed. (None to report)
	Casey's General Stores, Inc. (0.2%)	06/09/2023 : Shareholder Proposal Regarding Disclosure of Supplier Code of Conduct (Governance)	For (No - The manager supported this item, given that additional clarity on the Company's responsible sourcing practices or the timeline associated with the release of a Supplier Handbook containing the information outlined in its sustainability report, is warranted)	18% Support Proposal did not pass. (None to report)
	Casey's General Stores, Inc. (0.2%)	06/09/2023 : Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement (Environment)	For (No - The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.)	32% Support Proposal did not pass. (None to report)
	Texas Roadhouse Inc (0.1%)	11/05/2023 : Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement (Environmental)	For (No - The manager supported this shareholder proposal as they believed its success would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.)	40% Support Proposal did not pass. (None to report)
Mercer Passive Low Volatility	Lilly(Eli) & Co (1.0%)	01/05/2023 : Shareholder Proposal Regarding Diversity and Inclusion Report (Social)	Against (N/a - The manager did not support this proposal as they felt the company provides existing reporting covering the majority of the information requested.)	27% Support Proposal did not pass. (None to report)

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
Equity UCITS CCF	Microsoft Corporation (1.6%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (No - The company's existing policies prohibit discrimination based on political affiliations, The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. The company prohibits discrimination on the basis of protected class and seeks to promote a culture based on equal opportunity. This proposal is covered by existing policies.)	1% Support Proposal did not pass. (None to report)
	Microsoft Corporation (1.6%)	07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social)	Against (No - Microsoft already provides pay equity and median gender and racial pay gap reporting. It further provides various health and wellbeing benefits, details of which are disclosed.)	1% Support Proposal did not pass. (We shall monitor the response from the company given the high level of support for this proposal.)
	Microsoft Corporation (1.6%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	Against (No - The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.)	9% Support Proposal did not pass. (None to report)
	PepsiCo Inc (1.3%)	03/05/2023 : Shareholder Proposal Regarding Congruency Report on Net-Zero Emissions Policy (Environmental)	Against (N/a - The manager voted against this proposal, noting that the company have existing disclosures in place that meet the requirements of this reporting. In particular, the company publishes its GHG emissions targets, and its emissions generated from employee travel. This information allows shareholders to assess the company's congruence between its publicly stated goals, and its policies and expenditures on employee travel.)	2% Support Proposal did not pass. (None to report)
Mercer Passive Sustainable Global Equity UCITS CCF	Alphabet Inc (2.6%)	02/06/2023 : Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	For (The manager published their intention to vote for this resolution, against management's recommendation. - A vote in favour is applied as the manager supports such risk assessments as they consider human rights issues to be a material risk to companies.)	18% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
	Alphabet Inc (2.6%)	02/06/2023 : Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)	For (No - The manager voted for this proposal, noting their encouragement of all companies to report their climate lobbying activity in line with the Global standard on responsible corporate climate lobbying.)	14% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
	Apple Inc (5.5%)	28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No - A vote in favour was applied as the manager expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap.)	30.9% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager has engaged with Apple a number of times in recent years, and will monitor their response to shareholder concerns on these issues.)
	Apple Inc (5.5%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	Against (N/A - A vote AGAINST this proposal is warranted. The company appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.)	1.6% Support Proposal did not pass. (None to report.)
	Apple Inc (5.5%)	28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (N/A - A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.)	1.3% Support Proposal did not pass. (None to report.)
	Microsoft Corporation (7.9%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (N/a - The manager voted against this proposal, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint.)	1% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.)

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
	Microsoft Corporation (7.9%)	07/12/2023 : Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	For (No - The manager supported this proposal, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.)	33% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.)
	Microsoft Corporation (7.9%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	Against (N/a - The manager voted against this proposal, given because the company's retirement plan is managed by a third-party fiduciary and employees are offered a self-directed option.)	9% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.)

**Note:** no proposals meeting significance definition over the period for Emerging Market Equity. This is within expectation given the tabling of ESG items at meetings is much less common in these regions versus US/developed markets, where there is more regulatory pressure and shareholder interest.