

Engagement Policy Implementation Statement for the Year Ended 5 April 2024

Renault UK Limited Pension Fund (“the Fund”)

1. INTRODUCTION

The Engagement Policy Implementation Statement (known as the Statement) presents the Trustees' assessment of their adherence to their engagement policy and their policy concerning the exercise of rights (including voting rights) attaching to the Fund's investments throughout the one-year period ending 5 April 2024 (the “Fund Year”). A copy of the Trustees' SIP is available [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 Trustees have appointed Mercer Limited (Mercer) as the discretionary investment manager and the Fund'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, Mercer Global Investments Europe Limited (MGIE). MGIE is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the management of the assets of each Mercer Fund.

Under these arrangements, the Trustees accept that they do not have the ability to directly determine the engagement or voting policies of MGIE and how MGIE apply these to the managers of the Mercer Funds. In this regard, Mercer's publicly available [Stewardship Policy](#) provides more detail on Mercer's stewardship beliefs and how these are implemented in practice. In addition, Mercer's publicly available [Sustainability Policy](#) sets out how Mercer addresses sustainability risks and opportunities and considers Environmental, Social and Corporate Governance (ESG) factors in decision-making across the investment process.

The Trustees review regular reports from Mercer with regard to the engagement and voting undertaken within the Mercer Funds in order to consider whether the policies align with those of the Trustees and of best practice. In addition, Mercer's Client Engagement Survey seeks to integrate the Trustees', and other investors in the Mercer Funds, views on specific stewardship themes by assessing the level of alignment between Mercer's engagement priority areas and those of all Mercer Fund investors, while highlighting additional areas of focus which are important to investors.

Section 2 of this Statement sets out the Trustees' engagement policy and assesses the extent to which the Trustees believe it has been followed over the Fund Year.

Section 3 sets out the Trustees' policy regarding the exercising of rights (including voting rights) attached to the Fund'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 Fund Year.

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

2. TRUSTEES' POLICY ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES, INCLUDING CLIMATE CHANGE

Policy Summary

Section 14 of the Fund's SIP outlines the Trustees' ESG beliefs. The Trustees keep these policies under regular review. Should the Trustees consider that the engagement policies of Mercer, MGIE or the third-party asset managers, do not align with those of the Trustees, the Trustees will notify Mercer and consider disinvesting some or all of the assets held in the Mercer Funds and/or seek to renegotiate commercial terms with Mercer.

How the Policy has been implemented over the Fund Year

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

Policy Updates	Climate Change Reporting and Carbon Foot-printing	ESG Rating Review
<p>In August 2023, the governance section of the Mercer <u>Stewardship Policy</u> was updated, and the climate scenario modelling section is now detailed in Mercer's standalone Task Force on Climate Related Financial Disclosures (<u>TCFD</u>) report. The TCFD was created to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurers in appropriately assessing and pricing risks related to climate change.</p> <p>The most recent <u>UN Principles of Responsible Investment</u> results (based on 2022 activity) awarded Mercer, who are a signatory to the Principles, awarded 4 stars out of 5 for Policy</p>	<p>The Trustees' and Mercer believe climate change poses a systemic risk, with financial impacts driven by two key sources of change:</p> <ol style="list-style-type: none">1. The physical damages expected from an increase in average global temperatures2. The associated transition to a low-carbon economy <p>Mercer therefore considers the potential financial impacts at a diversified portfolio level, in portfolio construction within asset classes, and in</p>	<p>Where available, Mercer's ESG research ratings of the third-party investment managers appointed to manage Mercer Fund assets are reported to the Trustees on a quarterly basis. ESG ratings, and any changes, are regularly reviewed by MGIE and the Trustees and MGIE expect to see positive momentum with regard to ESG integration within the third-party investment managers' investment processes. As part of the review process, MGIE considers the appointed managers' ESG ratings against that of an appropriate universe of investment managers. Engagements are prioritised with managers where their ESG rating is behind that of the peer universe.</p>

<p>Governance and Strategy. The goal of the principles is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices.</p>	<p>investment manager selection and monitoring processes.</p> <p>The Trustees' note Mercer its aim to achieve net-zero absolute portfolio carbon emissions by 2050 for the Scheme and its UK clients in general with discretionary portfolios and, in doing so, for the majority of its Mercer Funds that the Scheme invests in. To achieve this, Mercer set a 2030 target to reduce portfolio carbon emissions by 45% from 2019 baseline levels. The Trustees note that, as of 31 December 2022, there had been a 16% reduction in emissions since 2019, leaving the targeted 45% reduction by 2030 being within range.</p> <p> Mercer's approach to managing climate change risks is set out in the Mercer Investment Solutions Europe - Investment Approach to Climate Change 2022 Status Report.</p>	<p>As of 31 December 2022, the Trustees noted that over 20% of the Mercer Funds had seen an improved ESG rating over the year and that the majority have a rating ahead of the wider universe.</p>
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Approach to Exclusions	Sustainability-themed investments	Diversity
<p>In a limited number of instances, the Trustees note that the exclusion of certain investments with Mercer Funds may be necessary based on Mercer's Investment Exclusions Framework as set out in Mercer's Sustainability Policy. As a result, controversial weapons and civilian firearms are excluded from active equity and fixed income Mercer Funds, and passive equity Mercer Funds. In addition, tobacco companies (based on revenue) and nuclear weapons are excluded from active equity and fixed income Mercer Funds. The sustainability-themed Mercer Funds have additional exclusions covering, for example, gambling, alcohol, adult entertainment and fossil fuels.</p>	<p>An allocation to the sustainable equity and listed infrastructure Mercer Funds is included within the Scheme's assets. The Mercer Sustainability Report includes more detail on the Mercer Funds with a stated sustainability objective, including a detailed breakdown against ESG metrics, for example the UN Sustainability Development Goals (SDG).</p> <p>The UN SDGs were adopted by all UN members in 2015. There are 17 goals created with the aim of achieving peace and prosperity for people and the planet while tackling climate change and working to preserve oceans and forests.</p>	<p>The Trustees note Mercer's aim to promote diversity within its own business and the managers is appoints to manage the assets of the Mercer Funds. Diversity forms part of Mercer's manager research process and is documented in a dedicated section within research reports.</p> <p>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 (KDMs) within Mercer Investment Solutions team were non-male, and Mercer's long-term target is 50%.</p> <p>For fixed income and equity Mercer Funds, the average Fund has 15% and 17% non-male KDMs</p>

Mercer Funds are also monitored for investments where the issuers have identified as high-severity breaches of the UN Global Compact (UNGC) Principles. The UNGC aims for companies to align their strategies and operations with ten universal principles related to human rights, labour, environment and anti-corruption and take actions that advance the implementation of societal and sustainable development goals.

respectively, broadly in line with the average fund in Mercer's research universe. Mercer expect this number to grow over time both across Mercer Funds and the investment management industry as a whole, supported in part through Mercer's engagements with managers on the topic and participation in industry initiatives.

MGIE is a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023. The 30% Club is a campaign group of business chairpersons and CEOs taking action to increase gender diversity on boards and senior management teams.

Engagement

Mercer's annual Stewardship Reports highlight the engagement objectives that have been set, examples of engagement and the escalation process and participation in collaborative initiatives. Mercer also produces an annual Global Manager Engagement Survey on sustainability and stewardship topics. The survey seeks to gather information from each manager appointed in the Mercer Funds on their broad approach to stewardship as part of their investment integration, as well as gain insights and examples of voting and engagement activities. The results from the Survey provide an important source of information for tracking and measuring the managers' stewardship efforts to assess effectiveness and to identify potential areas for improvement. Results and insights from the Survey are shared with the Trustees in Mercer's Stewardship Reports.

3. TRUSTEES' POLICY ON EXERCISE OF RIGHTS (INCLUDING VOTING RIGHTS) ATTACHING TO FUND INVESTMENTS

The Trustees' policy is as follows:

- Delegation of Investment Management: The Trustees delegate responsibility for the discretionary investment management of Fund assets to Mercer. The Fund'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 Trustees to fulfil their obligations regarding voting and engagement, they require reporting from Mercer on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustees 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. The Trustees and MGIE accept 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, the Trustees expect Mercer to play an important 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 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 Trustees do not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Fund's assets are invested in during the Fund Year is provided below. 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. The Trustees and Mercer consider that votes exercised against management can indicate a thoughtful and active approach by third party managers, particularly when votes are exercised to escalate engagement objectives.

Fund	Total Proposals		Vote Decision					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
MGI Eurozone Equity	4,415	4,223	84%	12%	1%	4%	0%	88%	12%	255	54%
Mercer Multi-Asset Credit	15	15	100%	0%	0%	0%	0%	100%	0%	5	0%
Mercer Global Small Cap Equity	6,310	6,032	85%	8%	0%	4%	2%	92%	8%	531	41%
Mercer Low Volatility Equity	8,239	7,860	85%	7%	0%	4%	4%	92%	8%	476	39%
Mercer Passive Global Equity	21,341	18,067	73%	9%	0%	15%	2%	85%	15%	1466	65%
Mercer Passive Emerging Markets Equity	22,915	21,686	79%	16%	1%	4%	0%	82%	18%	2808	52%
Mercer Sustainable Global Equity	6,381	6,299	85%	11%	1%	1%	2%	89%	11%	379	58%
Mercer Global Listed Infrastructure	620	596	85%	8%	3%	0%	3%	91%	9%	43	53%
Mercer Passive Global REITS	3,208	3,084	75%	19%	0%	4%	2%	78%	22%	332	68%

"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 ensure that future 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 Trustees have based the definition of significant votes in line with the requirements of EU's Shareholder Rights Directive (SRD) and on Mercer's Global Engagement Priority themes. SRD was introduced by the European Commission in 2007 to improve shareholder engagement and transparency, specifically in relation to the exercising of shareholder rights. The most significant proposals reported below relate to the three companies with the largest weight in each Mercer Fund (relative to other companies in the full list of significant proposals). Where available, information on next steps and plans to escalate are included in the table.

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 Global Listed Infrastructure	Duke Energy Corp. (4.5%)	04/05/2023: Shareholder Proposal Regarding Formation of Decarbonization Risk Committee (Environmental)	Against (N/a - The manager voted in line with their policy as the Board has oversight of decarbonisation as well as other sustainability considerations. The manager believes that it is for the Board and management to decide whether a separate division is necessary, or whether the current structure is sufficient to address these risks.)	3% Support Proposal did not pass. (None to report.)
	Southern Company (4.1%)	24/05/2023: Shareholder Proposal Regarding Report on Net Zero 2050 Goal Progress (Environmental)	Against (N/a - The manager did not support this proposal as they did not feel that there was a need to produce an additional report. The data required for this report could already be found in a number of existing Southern Company disclosure.)	Withdrawn (The proposal was withdrawn following the managers' vote and the manager has not identified a need for further engagement around disclosure. The manager will continue their engagement efforts in assessing the company's progress towards Net Zero.)
	Southern Company (4.1%)	24/05/2023: Shareholder Proposal Regarding Scope 3 GHG Emissions Targets (Environmental)	Against (N/a - Given Southern Company's existing targets and disclosures, as well as the complexity and uncertainty in setting Scope 3 emissions reduction targets, the manager did not believe that support for this resolution was warranted at this time.)	19% Support Proposal did not pass. (At this stage, the manager is focused on targets that are meaningful, measurable, and controllable. Therefore, their engagement with the company will seek to better understand Southern Company's Scope 3 profile, and what actions the company is taking to reduce these emissions.)

	Union Pacific Corp. (3.5%)	18/05/2023: Shareholder Proposal Regarding Paid Sick Leave (Social)	<p>Against (N/a - Union Pacific's work force consists of both unionised (c >80%) and non-unionised employees. Sick leave is already provided to non-unionised employees. Unionised employees are given additional days called "personal days" that can be used for sick leave.</p> <p>For unionised employees, Union Pacific must bargain with the unions individually, meaning it is not possible to enact an umbrella policy across all unions as the proposal suggests. Therefore, the manager could not support it.)</p>	<p>12% Support Proposal did not pass. (The manager views sick leave for employees as being a material issue for all railroads and has therefore been engaging with the company on this issue. At the time of this proposal, Union Pacific had reached agreements for additional sick leave with 10 of the 13 unions. When the manager engaged with the company in May 2023, that number had increased to 11. They intend to engage again with Union Pacific's new management team on this topic in the December 2023 quarter.)</p>
Mercer Global Small Cap Equity	Denny's Corp. (0.3%)	17/05/2023: Shareholder Proposal Regarding Paid Sick Leave (Social)	<p>Against (N/a - The manager voted against this proposal, supportive of company management's argument that due to its highly franchised business model, the Company's direct control over the compensation and benefits arrangements is limited to the team members employed in its 66 Company-operated restaurants and corporate support functions, and that dictating employment practices could expose the Company to greater liability)</p>	<p>10% Support Proposal did not pass. (None to report)</p>
	Bloomin' Brands (0.2%)	18/04/2023: Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement (Environmental)	<p>For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)</p>	<p>43% Support Proposal did not pass. (Given the proponent also tabled this proposal in 2021, and received a majority vote in support, it was tabled again this year due to lack of progress and insufficient response from company management. The manager will monitor the company's response in light of this.)</p>
	Texas Roadhouse Inc (0.0%)	11/05/2023: Shareholder Proposal Regarding GHG Targets and	<p>For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)</p>	<p>40% Proposal did not pass. (None to report)</p>

		Alignment with the Paris Agreement (Environmental)		
Mercer Low Volatility Equity	Alphabet Inc (3.3%)	02/06/2023: Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	<p>Split - (No - For (2): Managers who voted FOR this proposal were supportive as an independent Human Rights Impact Assessment would help shareholders better assess Alphabet's management of risks related to human rights</p> <p>Against (1): The manager who voted against felt this proposal did not merit support as the company's disclosures pertaining to the item are already reasonable.)</p>	18% Support Proposal did not pass. (None to report)
	Alphabet Inc (3.3%)	02/06/2023: Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)	<p>Split - (No - For (2): Managers who voted FOR this proposal were supportive, as additional reporting on the company's direct and indirect lobbying practices, policies, and expenditures would benefit shareholders in assessing its management of related risks.</p> <p>Against (1): The manager who voted against felt this proposal did not merit support as the company's disclosures pertaining to the item are already reasonable.)</p>	14% Support Proposal did not pass. (None to report)
	Microsoft Corporation (2.9%)	07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social)	<p>Against (No - Managers 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. In particular, one manager noted Microsoft includes "political affiliation" in its anti-discrimination policy and provides</p>	1% Support Proposal did not pass. (None to report)

		some information about policies and practices that it takes to ensure it does not discriminate against people based on personal characteristics and to foster a culture of merit-based promotion. There do not seem to be allegations of workforce discrimination. The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. Microsoft prohibits discrimination based on protected class and seeks to promote a culture based on equal opportunity)	
Microsoft Corporation (2.9%)	07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	<p>Split</p> <p>For (3): (No - Managers who supported this proposal were supportive, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries)</p> <p>Against (1): The manager who voted against this proposal noted Microsoft has made public commitments to manage human rights risks in line with best practices. The company discloses government and law enforcement requests for content removal and conducts Human Rights Impact Assessments in collaboration with stakeholders to identify risks. Microsoft also published a human rights report which includes information on risks and mitigating actions. The manager acknowledged there is an opportunity for Microsoft to consolidate and strengthen disclosures on specific processes aimed at mitigating country specific risks (through updates to its human rights report last published in 2021), however they ultimately felt current disclosures are adequate and a new report on</p>	<p>33% Support</p> <p>Proposal did not pass. (None to report)</p>

			data operations in human rights hotspots is redundant.)	
	Microsoft Corporation (2.9%)	07/12/2023: Shareholder Proposal Regarding Report on Climate Risk in Employee Retirement Options (Environmental)	Against (No - Managers did not support this proposal as the company's retirement plan is managed by a management-level committee and employees who are looking for more climate-risk-free investments are offered a self-directed option.)	9% Support Proposal did not pass. (None to report)
	Unitedhealth Group Inc (1.0%)	05/06/2023: Shareholder Proposal Regarding Racial Equity Audit (Governance)	Against (N/a - Managers voted against this proposal, noting the company has taken positive steps towards racial equity. One manager also noted they have been engaging with the company on environmental topics and raised this as part of their discussions around the company's strategy.)	20% Support Proposal did not pass. (None to report)
Mercer Passive Global Equity	Alphabet Inc (2.7%)	02/06/2023: Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	For (No - A vote FOR this proposal is warranted because an independent human rights assessment would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices.)	18% Support Proposal did not pass. (Support for this resolution at 20% was lower than last year, however still high enough to indicate some investors feel this is a significant unaddressed risk for Alphabet. The manager will continue to support resolutions and initiatives aimed at social media companies to ensure action is taken to mitigate this significant systemic risk.)
	Alphabet Inc (2.7%)	02/06/2023: Shareholder Proposal Regarding Lobbying Activity Alignment with Climate	For (No - A vote FOR this proposal is warranted, as shareholders would benefit from greater transparency of the company's framework for addressing misalignments between its climate goals and direct and indirect lobbying, and how the company would plan to mitigate any risks that might be identified.)	14% Support Proposal did not pass. (Paris Agreement-aligned lobbying is one of the managers's engagement and voting priorities for ensuring their portfolios reach Net Zero. The manager will continue monitoring the company's reporting developments.)

	Commitments and the Paris Agreement (Environmental)		
Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	Against (N/A - Apple provides shareholders with sufficient disclosure through its Supplier Code of Conduct and Supplier Responsibility Standards and Transparency Report, among other available documents, 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 and how the company aligns with its mission to protect human rights raised by the proponent. As such, shareholder support for the proposal is not warranted at this time.)	1.6% Support Proposal did not pass. (None to report)
Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (N/A - The company's EEO policy states Apple's commitment to equal employment opportunity, diversity, and inclusion. Its Business Code of Conduct states that it does not tolerate discrimination or harassment. The company discloses detailed information on its diversity and inclusion initiatives and metrics. The company appears to be providing shareholders with sufficient disclosure to evaluate its diversity and inclusion efforts and nondiscrimination policies, and including ideology and viewpoint in EEO policies does not appear to be a standard industry or market practice at this time. As such, shareholder support for this proposal is not warranted.)	1.3% Support Proposal did not pass. (None to report)
Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay	For (No - Apple does not publish for its U.S. or global workforce the same gender pays gap statistic as it publishes in the UK. The median pay gap statistic provides benefits such as transparency and comparability across time and organizations and serves as one measure of representation of women and racial and ethnic minorities in senior positions. Because it is	30.9% Support Proposal did not pass. (Manager will continue to support reasonable shareholder resolutions that request increased disclosure in terms of gender and racial pay equity, particularly if this is a practice already carried out by Apple in one of their jurisdictions.)

		Equity Report (Governance)	expressing a gap, it also carries an implied goal of eliminating the gap. As the company discloses for its U.K. workforce, investors would benefit from a report concerning the median pay gap data for its U.S. or its global workforce as a means of allowing them to better gauge how well the company is advancing opportunities for women globally and racial and ethnic minorities in the U.S. and mitigating risks relating to increasing public scrutiny on gender and racial/ethnic pay equity issues. Therefore, shareholder support for this proposal is warranted.)	
Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (N/a - A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. The company's EEO Policy prohibits discrimination on the basis of political affiliation and there do not seem to be allegations of workforce discrimination. A vote against this proposal was warranted, 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. (This was an example of a shareholder proposal with clear political intention but without any material evidence for the alleged political discrimination inside the company. The current EEO policy currently prohibits discrimination on the basis of political affiliation, therefore the request of the resolution was redundant.)	
Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender	Against (No - The proponent is requesting that the company publish a report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care. The proponent argues that by providing women employees travel and lodging reimbursements to receive abortion procedures the company is subsidizing women who opt to have abortions with a subsidy and disincentivizing those that opt to raise their children by providing no subsidy. Microsoft discloses information on its pay equity	1% Support Proposal did not pass. (None to report.)	

		Dysphoria Care (Social)	<p>analysis and data. It also discloses its median unadjusted pay analysis and data. The company also provides information on the health and wellness related benefits it offers employees. These benefits include leave for new parents and family caregiver leave, adoption assistance, parenting classes and family support programs, as well as subsidized and discounted childcare and back-up care for children, adults, and elders.</p> <p>In contrast to the proponent's assertions, the company seems to provide significant support to women employees that opt to raise children. Overall, the company appears to provide sufficient information for investors to be able to gauge how the company is managing pay equity and health and wellness benefits related risks. Therefore, support for this proposal is not warranted at this time.)</p>	
	Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding Report on Climate Risk in Employee Retirement Options (Environmental)	<p>For (No - A vote in favour of this resolution was warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them.</p> <p>The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.)</p>	<p>9% Support Proposal did not pass. (While the resolution received relatively low support, the manager believes the proposal would have allowed the company to better align with their climate change commitments. The managers seek consistency between the operations and activities of companies and their climate commitments in a number of areas such as lobbying and capital expenditure. For this reason, this report could have aided the company's climate efforts.)</p>
Mercer Passive Global REITS	Digital Realty Trust Inc (2.9%)	08/06/2023: Shareholder Proposal Regarding Concealment	<p>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</p>	<p>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.)</p>

		Clauses (Governance)	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.)	
	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 Sustainable Global Equity	American Water Works Co. Inc. (1.0%)	10/05/2023: Shareholder Proposal Regarding Racial Equity Audit (Human/Labour Right)	Split - (No - For (2): Managers who voted FOR this proposal were requesting that American Water Works Company oversee and report on a racial justice audit to analyse the impact of the company's policies and operations on systemic racism. While the company has made progress in disclosing diversity and inclusion information, it has not yet achieved its undisclosed diversity targets. This proposal aims to enhance the	39% Support Proposal did not pass. (Manager has responded their next step as the proposal received almost 40% shareholder support, while not majority, we will expect the company to have a response to the high level of support and will advocate for the practice in engagement. Manager engaged with AWK multiple times in 2023 on this and other material ESG topics. Manager discussed American

		<p>company's transition towards a more inclusive and diverse workforce and increase transparency. We welcome additional information on the scope of the audit and recommendations to better evaluate the effectiveness of the company's efforts in addressing racial inequity. Although, managers, do not specifically advocate for ethnic statistics, we recognize the positive advancement in the US market and support initiatives that combat discrimination and inequality. Therefore, managers will vote in favour of this shareholder proposal to promote transparency.</p> <p>Against (1): Ultimately, we took the decision to vote AGAINST the shareholder proposal to undertake a racial equity audit as we believe the company already undergoes a third-party evaluation. Further, we note that the company publishes extensively on their DEI commitments. This has improved over time. We believe the proposal remains unwarranted at this time.)</p>	Water Works' EDI goals; though these goals were not met in 2022, they have remained in place. We encouraged the company to provide more transparency around their E, D&I goals and progress moving forward.)
Microsoft Corporation (4.0%)	07/12/2023: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	<p>Against (One manager who voted against management's recommendation communicated their intentions to the company ahead of the vote.</p> <p>Managers 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. In particular, one manager noted Microsoft includes "political affiliation" in its anti-discrimination policy and provides some information about policies and practices that it takes to ensure it does not discriminate against people based on personal characteristics and to foster a culture of merit-based promotion. There do not seem to be</p>	<p>1% Support Proposal did not pass. (None to report.)</p>

		allegations of workforce discrimination. The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. Microsoft prohibits discrimination based on protected class and seeks to promote a culture based on equal opportunity.)	
Microsoft Corporation (4.0%)	07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social)	<p>Against</p> <p>(No – The rationale for voting against the shareholder proposal to include travel and lodging reimbursements for abortion procedures is based on several factors. Firstly, the proposal is seen as undermining the company's ESG efforts rather than strengthening them. Secondly, one of the managers does not agree with the argument that the proposal would meaningfully enhance shareholder understanding of equitable compensation or mitigate associated risks. The company's existing disclosures, including their recent DEI report, already address pay equity and extend travel benefits to include medical services. Lastly, the compensation committee reviews these programs annually, ensuring their effectiveness. Therefore, a vote against the proposal was warranted to uphold sustainability progress, equitable compensation, and comprehensive disclosure practices.)</p>	<p>1% Support</p> <p>Proposal did not pass.</p> <p>(None to report.)</p>
Microsoft Corporation (4.0%)	07/12/2023: Shareholder Proposal Regarding Report on Climate Risk in Employee Retirement Options (Environmental)	<p>Split - One manager who voted against management's recommendation communicated their intentions to the company ahead of the vote.</p> <p>For (2): Managers who voted FOR this proposal agreed that disclosure of how the company is protecting its retirement plan beneficiaries with longer time horizons from systemic climate risk in the company's default retirement groups would be beneficial.</p>	<p>9% Support</p> <p>Proposal did not pass.</p> <p>(One manager who voted for the proposal confirmed they intend to watch the success rates of these types of proposals across the landscape to see if they gain momentum.)</p>

			Against (2): Managers who voted against this proposal did so as the company's retirement plan is managed by a management-level committee and employees who are looking for more climate-risk-free investments are offered a self-directed option.	
	Schneider Electric SE (1.3%)	04/05/2023: Opinion on Climate Strategy Strategy (Environmental)	For (N/a - Managers voted to approve the company's climate strategy, however it was noted that there was room for improvement, particularly with regards to 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.)	96% Support Proposal passed. (Managers will monitor the company's progress and review any updates to its strategy as they become available.)
MGI Eurozone Equity	BP plc (0.3%)	27/04/2023: Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions (Environmental)	Against (N/a - Given the Company's existing targets and disclosures, as well as the complexity and uncertainty in setting these targets, managers did not support this proposal.)	16% Support Proposal did not pass. (Concerns with the Company's 2030 targets being reduced in the months leading up to the AGM were noted, particularly following 85% support from shareholders in 2022 when they were asked to approve the company's former targets. This alone didn't warrant a vote in favour, given the belief that the Company should not be required to adhere to a strategy that the board no longer believes is in the best interests of shareholders as a result of changes in the market or in demand.)
	Engie (0.3%)	26/04/2023: Shareholder Proposal Regarding Annual Say on Climate and Climate Disclosure (Environmental)	For (No - The manager voted for the proposed amendments as they would favor additional information of shareholders without infringing on the Board's prerogatives. Despite this, the manager noted concerns raised by investors regarding the debate surrounding the use of a bylaw amendment to support the requested additional disclosure and votes on the company's climate strategy.)	21% Support Proposal did not pass. (None to report)
	TotalEnergies SE (1.1%)	26/05/2023: Opinion on 2023	For (N/a - Managers supported this proposal, noting the	86% Support Proposal passed.

		Sustainability and Climate Progress Report (Environmental)	company had made sufficient progress over the year and were responsive to engagement efforts from investors. While they felt there was still room for improvements in some areas, they were satisfied that the company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030 and committed to disclose absolute targets for GHG emissions covering all activities as well as further information regarding their environmental impact.)	(Managers are continuing to monitor the company against its recent commitments.)
TotalEnergies SE (1.1%)	26/05/2023: Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement (Environmental)	Split - (No - For (1): The manager who voted FOR this proposal noted its adoption would help to strengthen the company's efforts to reduce its carbon footprint and align its Scope 3 emission targets with Paris Agreement goals and would allow investors to better understand how the company is managing both its transition to a low carbon economy and its climate change-related risks. Against (1): The manager that voted against felt this proposal did not merit support as they were satisfied with the existing progress and disclosures put forward by the company in its climate progress report.)	29% Support Proposal did not pass. (None to report)	