

Engagement Policy Implementation Statement for the Year Ended 5 April 2023

The Renault UK Limited Pension Fund (“the Fund”)

1. INTRODUCTION

This Engagement Policy Implementation Statement (the Statement) sets out the Trustees’ assessment of how, and the extent to which, they believe they have followed their engagement policy during the year to 5 April 2023 (the Fund Year). The Trustees’ policies are set out in their Statement of Investment Principles (SIP) dated September 2022. A copy of the Trustees’ SIP is available [here](#).

This Statement has been produced in accordance with the *Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018* and the *Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* along with guidance published by the Department of Work and Pensions.

The Trustees’ engagement policy covers how they interact with the issuers of securities that they invest in, or might invest in, in order to address environmental, social or governance (ESG) and climate change concerns, change a real-world sustainability outcome or improve disclosure by the issuer on ESG, sustainability and climate change matters. The Trustees base their own engagement policies on those of Mercer, whose policies they expect to reflect best practice in this area. Mercer’s engagement policies are driven by their publicly available [Sustainability Policy](#) and [Stewardship Policy](#).

The Trustees invest the assets of both Sections of the Fund in fiduciary arrangements with Mercer Limited (Mercer). Under this arrangement Mercer are appointed as a discretionary investment manager and day-to-day management of the Fund’s assets is achieved via investment in a range of specialist pooled funds (the Mercer Funds). Management of the assets of each Mercer Fund is undertaken by a Mercer affiliate. Mercer, via the affiliate, are responsible for the appointment and monitoring of suitably diversified portfolio of specialist third party investment managers for each Mercer Fund’s assets. Under the arrangement in place, the Trustees accept that they do not have the ability to directly determine the engagement or voting policies or arrangements of the managers of the Mercer Funds. However, the Trustees do have the ability to influence policies by, for example, participating in Mercer’s Client Engagement Survey. This Survey enables Mercer to understand the engagement priority areas of the Trustees and Mercer’s other clients and take account of them when formulating Mercer’s own future engagement policies.

Section 2 sets out the Trustees’ engagement policy and assesses the extent to which they believe it has been followed over the Fund Year.

Section 3 sets out the Trustees' policy with regard to the exercising of rights (including voting rights) attaching to the Fund's investments and considers how, and the extent to which, it believes this policy has been followed during the Fund Year. This Section also provides detail on voting activity undertaken by the Fund's third party investment managers during the Fund Year.

Taking the analysis included in Sections 2 to 3 together, it is the Trustees' belief that their policies with regard to engagement, including the exercise of rights attaching to investments, has been adequately followed during the Fund Year.

2. TRUSTEES' ENGAGEMENT POLICY

Policy Summary

The Trustees believe that, in general, active stewardship of an asset plays an important role in managing its sustainability risks, thus enhancing the value of the asset over the longer term from both a financial and non-financial perspective. Consequently, the Trustees believe that an investment approach that allows for effective stewardship of, and so engagement with, the issuers of the securities it invests in is in the best interests of the Fund. The Trustees also recognise that long-term sustainability issues such as climate change present risks and opportunities that require the Trustees' explicit consideration.

It is the Trustees' policy that the third party investment managers appointed by Mercer via its affiliate report on their stewardship of the Fund's assets in line with established best practice as set down by, for example, the UK Stewardship Code 2021. The Trustees note that Mercer is a signatory to the Code and that the third party investment managers are required to publicly report on their compliance with the Code on an annual basis via an external website. Further, in appointing the third party investment managers, the Trustees expect Mercer to select managers that it believes will engage directly with issuers in order to improve their financial and non-financial performances. To monitor the third party investment managers' compliance with this expectation, the Trustees consider regular reports from Mercer that include an assessment of each third party manager's engagement activity.

Should the Trustees consider that Mercer, its affiliate or the third party investment managers have failed to align their own engagement policies 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

Policy Updates	Climate Change and Carbon Foot-printing	ESG Rating Review
The Mercer <u>Sustainability Policy</u> is reviewed regularly. In August 2022 the policy update reflected enhancements to the approach to climate change modelling and transition modelling, additional detail on how the policy is implemented, monitored and governed and, as part of the	The Trustees and Mercer believe climate change poses a systemic risk and believes that limiting global average temperature increases this century to "well below 2° C", as per the 2015 Paris Agreement, is aligned with the best economic outcome for long-term diversified investors.	Where available, ESG ratings assigned by Mercer to underlying investment manager strategies are included in the Fund's investment performance reports produced by Mercer on a quarterly basis. The Trustees expect to see evidence, from year to year of positive momentum in each manager's

commitment to promote diversity, finalising Mercer's signatory status to the UK chapter of the 30% Club. The 30% Club is a campaign group of business chairpersons and CEOs taking action to increase gender diversity on boards and senior management teams.

Mercer's **Stewardship Policy** is also reviewed regularly and was also updated in August 2022 to reflect enhancements made to Mercer's stewardship approach, including an introduction of engagement dashboards and trackers, an enhanced UN Global Compact engagement and escalation process and a client engagement survey.

In Q3 2022, the UN Principles of Responsible Investing scores for 2021 (based on 2020 activity) were issued and Mercer were awarded top marks for the overarching Investment and Stewardship Policy section.

Mercer supports this end goal and the Trustees are pleased to note that Mercer is committed to achieving net-zero absolute carbon emissions by 2050 for its UK, European and Asian clients with discretionary portfolios. To achieve this, Mercer plans to reduce portfolio relative carbon emissions by at least 45% from 2019 baseline levels by 2030. This decision was supported by insights gained from Mercer's Investing in a Time of Climate Change (2015 and 2019) reports, Mercer's Analytics for Climate Transition (ACT) tool and advice framework, and through undertaking climate scenario analysis and stress testing modelling.

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), including the **Mercer Investment Solutions Europe - Investment Approach to Climate Change 2022 Status Report**. As at 31 December 2022 Mercer are on track to reach the long-term net zero portfolio carbon emissions target.

ESG score as well as the weighted score for a Mercer Fund. Mercer will work with managers where their ESG rating is behind that of the Mercer peer universe.

Approach to Exclusions

Mercer prefer an approach of positive engagement rather than negative divestment. However Mercer recognises that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions are appropriate.

Controversial weapons are excluded from Mercer's active equity and fixed income funds and passive equity funds. In addition tobacco

Sustainability-themed investments

An allocation to a bespoke portfolio of global equities with strong sustainable credentials is included within the Fund's portfolio of growth assets via investment in the Mercer Sustainable Equities Fund. This Fund accounts for c. 10% of the Fund's Growth portfolios.

A detailed standalone report sustainability monitoring report is produced for the Sustainable Global Equity Fund on an annual basis and

Diversity

Mercer consider broader forms of diversity in decision-making but currently only report on gender diversity. As at 31 December 2022, 36% of the Key Decision Makers (KDMs) within Mercer IS team are non-male, and Mercer's long term target is 50%.

companies (based on revenue) are excluded from active equity and fixed income funds. The Mercer sustainability-themed funds have additional exclusions, for example covering gambling, alcohol, adult entertainment and fossil fuels.

Mercer expanded Mercer Fund exclusions to further promote environmental and social characteristics over the second half of 2022 to bring them in line with EU SFDR Article 8 classification.

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

includes a detailed breakdown of the Fund against ESG metrics such as the UN Sustainability Development Goals.

The Fund includes an “impact investing” strategy employing fundamental analysis to target companies that aim to achieve a positive Environmental and Social Impact. The strategy is diversified across multiple themes including health and sanitation, affordable housing, education and cyber security

The Trustees expect to see an improving trend in Mercer’s Diversity reporting and the statistics presented over the next year.

In Q3 2022 Mercer was confirmed as a signatory of the UK Chapter of the 30% Club.

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

Policy

The Trustees’ policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Fund’s investments to the third party investment managers appointed by Mercer on the Trustees’ behalf.

In delegating these rights, the Trustees and Mercer accept that managers are typically best placed to exercise voting rights and prioritise particular engagement topics investment by investment, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, the Trustees note that Mercer has a pivotal role in monitoring the managers’ voting activity and promoting more effective stewardship practices, including ensuring manager attention is given to more strategic themes and topics that might guide voting decisions.

The Trustees and Mercer delegate voting decisions to the third party investment managers in the expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Before appointing a third party investment manager, Mercer evaluate the manager’s voting activity to ensure it is reflective of best practice as set down by the UK Stewardship Code. For the avoidance of doubt, the Trustees nor Mercer do not use proxy voting services for the Fund’s investments.

As part of the monitoring of managers' approaches to voting, Mercer assesses how managers are voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur (where managers vote in different ways for the same proposal). Mercer will use these results to inform their engagements with managers on their voting activities.

Set out below is a summary of voting activity for the year to 31 March 2023 for a range of Mercer Funds that the Fund's assets are invested in. This may include information in relation to funds that the Fund's assets were no longer invested in at the year-end. The statistics set out in the table below are drawn from the Glass Lewis voting system (via State Street, the custodian of the Mercer Funds). The Trustees note that, typically, votes exercised against management can indicate a thoughtful and active approach by a manager. This is particularly visible where votes have been exercised to escalate engagement objectives. The expectation is for all shares to be voted.

Fund	Total Proposals		Vote Decision					For/Against Mgmt	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against
Mercer Global Listed Infrastructure Fund	535	497	81%	11%	7%	1%	0%	85%	15%
Mercer Global Small Cap Equity Fund	6,342	6,201	91%	6%	1%	2%	0%	92%	8%
Mercer Low Volatility Equity Fund	8,239	8,083	91%	7%	0%	1%	0%	92%	8%
Mercer Multi-Asset Credit Fund ⁽¹⁾	11	11	91%	9%	0%	0%	0%	91%	9%
Mercer Passive Emerging Markets Equity Fund	26,187	25,405	80%	17%	3%	0%	0%	82%	18%
Mercer Passive Global Equity CCF	19,126	18,347	81%	14%	0%	4%	0%	80%	20%
Mercer Passive Global REITS UCITS CCF	3,117	2,982	79%	16%	0%	4%	0%	79%	21%
Mercer Sustainable Global Equity Fund	6,130	6,001	86%	11%	1%	1%	0%	88%	12%
MGI Eurozone Equity Fund	4,721	4,610	85%	12%	2%	0%	0%	86%	14%

⁽¹⁾ Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund's underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

- "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)
- "No Action" reflects instances where managers have not actioned a vote. Mercer 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).

Significant Votes: The Trustees have based the definition of significant votes on Mercer's Beliefs, Materiality and Impact (BMI) Framework. Reported below are the *most* significant proposals over the period. Significant proposals are determined using the following criteria:

1. The proposal topic relates to an Engagement Priority (climate change, human/labour rights, and diversity). This is classified in the "Proposal Description" column below, referenced as Environmental, Social, and Governance respectively.
2. 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

The most significant votes undertaken by the third party investment managers on behalf of the Fund are set out below.

Mercer Global Listed Infrastructure Fund			
Proposal Description	Environmental: Shareholder Proposal Regarding Medium-Term Targets For Scope 3 GHG Emissions	Environmental: Shareholder Proposal Regarding Report on Stranded Asset Risk	Environmental: Approval of Net Zero Transition Report
Company	Dominion Energy Inc		SSE Plc.
Holding Weight ¹	5%		3%
Meeting Date	11-May-22		21-Jul-22
Vote Decision ²	Against	For	For
Vote Outcome	16%	75%	98%
Fund Vote Rationale	In December 2021 the manager engaged with Dominion Energy's management on Scope 3 emissions targets. During this meeting, the company confirmed that they were looking into the next steps on how Scope 3 emissions targets could be set. Given the complexity of this topic, and as the manager was already in active discussion with the company on it, they felt it was reasonable to allow the company time to set meaningful targets rather than supporting this Proposal.	This Proposal involved consolidating information that was already being provided by the company into a single report, making it more easily accessible. The manager believed that this request was reasonable, and therefore voted in favour of the Proposal.	In general, the manager believes that proposals seeking approval of a company's climate strategy challenge the basic premise of corporate governance, which dictates that shareholders should elect the board and the board should oversee management and the execution of the company's strategy. However in this case, the managers had a positive view of the climate change-related measures taken by SSE, and of the disclosure provided by the company on this topic. SSE has committed to Net Zero across all its operations by 2050 at the latest, covering scope 1, 2 and 3 GHG emissions. These ambitions are supported by a series of interim targets approved by the Science Based Targets Initiative (SBTi). The manager also noted that in the event of a significant vote against this proposal, the company intends to undertake a process of shareholder outreach, inform shareholders of the results of that process, and announce intended measures to take those reservations into account.
Pre-comms. ³	Not applicable	No	Not applicable
Next steps	Manager will continue to engage with Dominion to encourage them to set appropriate and meaningful Scope 3 emissions targets.	Manager will continue to encourage and support improved disclosure on a broad range of RI-related topics by companies within our opportunity set.	Manager will continue to encourage SSE to accelerate progress on climate change mitigation action and disclosure.

Mercer Global Small Cap Equity Fund			
Proposal Description	Environmental: Advisory vote on Climate Transition Plan	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Social: Shareholder Proposal Regarding Policy on Freedom of Association
Company	Centrica plc	Tesla Inc	
Holding Weight¹	<1%	<1%	
Meeting Date	07-Jun-22	04-Aug-22	
Vote Decision²	For	Against	Against
Vote Outcome	79%	34%	32%
Fund Vote Rationale	The main reasons for support are (1) although a complete schedule of comprehensive short, medium and long-term emissions reduction targets has not been provided, there are a range of timelines and targets, and the Company made a public commitment to get near-term targets approved by the Science Based Targets Initiative (SBTi); and (2) other positive aspects include the commitment to the TCFD recommendations and the intention to regularly (every three years) provide shareholders with an advisory vote on climate at future AGMs.	Manager opposed the resolution, noting Tesla's core mission is to accelerate the world's transition to sustainable energy and its business strategy is in alignment with the Paris Agreement. The manager felt additional disclosures would be a burdensome with no real benefit to shareholders.	Manager opposed the resolution, noting these rights are enshrined in the National Labor Relations Act and felt, like any US company, Tesla must comply with the law and this is not a matter for company policy.
Pre-comms.³	Not applicable	Not applicable	Not applicable
Next steps	A vote FOR this resolution was considered warranted although the manager noted it was not without concern for the following reason: The Company has not provided its short-term targets, raising concerns on the stretch of these targets. Having reduced the scale of its oil and gas exploration and production (E&P) activities during the year, the Company has already materially reduced its emissions compared to 2019.	No next steps. While the manager has been supportive of similar proposals put forward at other US holdings, they do not believe there is the same rationale for supporting at Tesla. The manager expressed they are of any concerns that Tesla are executing their strategy in contravention of the Paris Agreement.	While manager did not support this resolution, they do continue to monitor Tesla's approach and engage with them on issues relating to employee rights. Human capital management, human rights and employee rights have been important themes in their engagements with Tesla and will continue to be.

Mercer Low Volatility Equity Fund (1/2)			
Proposal Description	Social: Shareholder Proposal Regarding Human Rights Impact Assessment Report	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Environmental: Shareholder Proposal Regarding Report on Physical Risks of Climate Change
Company	Alphabet Inc		
Holding Weight¹	2%		
Meeting Date	01-Jun-22		
Vote Decision²	For	For	For
Vote Outcome	23%	19%	18%
Fund Vote Rationale	Managers voted "For" this proposal as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Managers voted "For" this proposal as the company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, in light of risks to the company caused by climate change and the company's public position.	Managers voted "For" this proposal as shareholders would benefit from increased disclosure regarding how the company is assessing and managing climate change risks.
Pre-comms.³	No	No	No
Next steps	None to report	None to report	None to report

Mercer Low Volatility Equity Fund (2/2)		
Proposal Description	Environmental: Advisory Vote on Approach to Climate Change	Social: Shareholder Proposal Regarding Report on Hiring Practices
Company	Canadian Pacific Kansas City Limited	Microsoft Corporation
Holding Weight¹	1%	3%
Meeting Date	27-Apr-22	13-Dec-22
Vote Decision²	For	Against
Vote Outcome	87%	11%
Fund Vote Rationale	CPKC has a decarbonisation target across Scope 1, 2 and 3 locomotive operations to reduce emissions intensity 38.3% by 2030. The near-term target is approved by SBTi and aligned with a temperature pathway of well-below 2°C. The manager noted that the temperature alignment is inconsistent with the 1.5°C guidance stipulated in their policy. However, the manager has reviewed the company's climate strategy and engaged with management to encourage target alignment with 1.5°C.	Managers voted AGAINST this resolution, noting that the company has implemented the main requests of the Fair Chance Business Pledge and is disclosing sufficient information for shareholders to be able to assess the impact of its various diversity and inclusion initiatives.
Pre-comms.³	Not applicable	Not applicable
Next steps	None to report	None to report

Mercer Passive Global REITS UCITS CCF			
Proposal Description	Environmental: Approval of Climate Change Ambitions and Targets	Environmental: Approval of Climate Transition and Biodiversity Preservation	Environmental: Opinion on Ambition to Fight Climate Change
Company	Carmila	Icade	Mercialys
Holding Weight¹	<1%	<1%	<1%
Meeting Date	12-May-22	22-Apr-22	28-Apr-22
Vote Decision²	For	For	Against
Vote Outcome	98%	99%	79%
Fund Vote Rationale	A vote FOR is warranted as the company commits to Net Zero on Scope 1 and Scope 2 by 2030 (SBT approved) and Net Zero on all scopes by 2040 with 90% reduction of GHG emissions and 10% compensation.	A vote FOR this proposal was warranted, as the company presented a 1.5°C trajectory Net Zero ambition with short-, medium- and long-term targets and a detailed roadmap to achieving its goals for this decade. The level of transparency and the governance structure for addressing and dealing with the climate topics appeared robust. The company notably commits to an advisory vote on this matter on a yearly basis. We will keep the company's progress in obtaining SBTi approval for its targets under review.	Climate change: A vote against is applied as LGIM 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.
Pre-comms.³	Not applicable	Not applicable	No
Next steps	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.	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.	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.

MGI Eurozone Equity Fund			
Proposal Description	Environmental: Approval of Climate Strategy, Targets and Progress 2022	Environmental: Opinion on Climate Transition Strategy	Environmental: Opinion on 2022 Sustainability and Climate Progress Report
Company	Barclays plc	Engie	TotalEnergies SE
Holding Weight¹	1%	1%	2%
Meeting Date	04-May-22	21-Apr-22	25-May-22
Vote Decision²	For	For	For
Vote Outcome	80%	86%	84%
Fund Vote Rationale	<p>A vote FOR this item is considered warranted, although it is not without concern for shareholders. The Company has not committed to further Say on Climate votes. The Company's approach to financed emissions has been the subject of criticism. Concerns are raised with the Company's approach to the target range in respect of power, cement and steel, given that, while the higher end of the range is in line with the IEA NZE, the lower end would not meet expectations. As flagged in last year's report, the Company's restrictive policies, especially as they relate to thermal coal and the expansion of oil and gas, require further improvement to be in line with expectations and with the Company's overarching net zero climate ambitions. The main reasons for support are the Company has a track-record of responding to shareholders on climate concerns. The decision to put a Say on Climate vote to shareholders is further proof of this. While ISS typically flags the benefit of an annual vote given the quickly evolving nature of this space, the Company's responsiveness to shareholder concerns helps to mitigate concerns that this will act as a one-off vote on the Company's climate response. The Company has made clear progress and has set clear targets in the short-to-medium term on its ambition to have net zero operations and reduce supply chain emissions. Improvements have been made on the Company's approach to financed emissions, with new IEA NZE 2050-derived targets in four key sectors, and further targets committed to in future years.</p>	<p>Managers felt a vote FOR this item was warranted although the following concerns are raised:- The company does not provide a detailed plan further than 2030;- The company does not commit to a regular shareholders' say-on-climate;- The company's greenhouse gas emissions are on the raise with no short-term commitment to overturn this trend. The main reasons for support are:- The company's ambition is Paris-Aligned on full scope by 2045, with an ambition to go beyond that;- The company provides a detailed action roadmap by 2030;- The level of transparency is in line with peers;- The governance structure for addressing and dealing with the climate topics appears robust.</p>	<p>A vote FOR this item is warranted as the following concerns are raised but it is not without any concerns for shareholders:- Considering announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal. Support is warranted as:- The company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030;- The company pursues its investments in alternative sources of energy and CCS technology;- The company committed to disclose absolute targets for GHG emissions covering all activities, the evolution of the energy mix and targeted production volumes, the potential contribution of CCS technology, and the work of assessment carried out by the independent third party; and- The company committed to propose a shareholders' vote at each AGM its sustainable and climate report and progress.</p>
Pre-comms.³	Not applicable	Not applicable	Not applicable
Next steps	None to report	None to report	The manager noted ISS's comment for the next meeting: Considering announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal.

Mercer Passive Global Equity CCF (1/2)			
Proposal Description	Social: Shareholder Proposal Regarding Human Rights Impact Assessment Report	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Environmental: Shareholder Proposal Regarding Report on Physical Risks of Climate Change
Company	Alphabet Inc	Alphabet Inc	Alphabet Inc
Holding Weight¹	3%	3%	3%
Meeting Date	1-Jun-22	1-Jun-22	1-Jun-22
Vote Decision²	For	For	For
Vote Outcome	23%	19%	18%
Fund Vote Rationale	A vote in favour this proposal was 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 disinformation and misinformation.	A vote in favour of this proposal was warranted. The company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, in light of risks to the company caused by climate change and the company's public position.	A vote in favour of this proposal was warranted. Shareholders would benefit from increased disclosure regarding how the company is assessing and managing climate change risks.
Pre-comms.³	No	No	No
Next steps	Support for this resolution at 23% was higher than for any other shareholder resolution aimed at Alphabet in 2022, indicating misinformation and disinformation are significant unaddressed risks 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.	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.	The manager, as part of their engagement efforts, will continue encouraging all companies to understand their exposure to physical climate risks to mitigate all associated risks.

Mercer Passive Global Equity CCF (2/2)		
Proposal Description	Governance: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	Social: Shareholder Proposal Regarding Report on Hiring Practices
Company	Apple Inc	Microsoft Corporation
Holding Weight¹	5%	4%
Meeting Date	10-Mar-23	13-Dec-22
Vote Decision²	For	For
Vote Outcome	33%	11%
Fund Vote Rationale	A vote in favour of this proposal was warranted, as shareholders could benefit from the median pay gap statistics that would allow them to compare and measure the progress of the company's diversity and inclusion initiatives.	A vote in favour of this proposal was warranted because additional information could help shareholders better understand how the company is assessing and managing the progress of its various diversity and inclusion initiatives.
Pre-comms.³	No	No
Next steps	This resolution received 33.8% support, signalling that investors are interested in gender and racial pay gap data disclosure. The manager will continue monitoring the company's disclosures and efforts to increase transparency.	The manager will continue monitoring the company's disclosure on the specific issues.

Mercer Sustainable Global Equity Fund (1/2)			
Proposal Description	Social: Shareholder Proposal Regarding Human Rights Impact Assessment Report	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Environmental: Shareholder Proposal Regarding Report on Physical Risks of Climate Change
Company	Alphabet Inc		
Holding Weight¹	2%		
Meeting Date	01-Jun-22		
Vote Decision²	For	For	For
Vote Outcome	23%	19%	18%
Fund Vote Rationale	The manager voted FOR this proposal as enhanced assessment would provide meaningful disclosure and potentially improve understanding of the impact of the company's operations and/or activities on compliance and protection of human rights.	The manager voted FOR this proposal as the company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, in light of risks to the company caused by climate change and the company's public position.	The manager voted FOR this proposal given the company and shareholders may benefit from additional disclosure regarding the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
Pre-comms.³	No	No	No
Next steps	None to report	None to report	None to report

Mercer Sustainable Global Equity Fund (2/2)		
Proposal Description	Environmental: Shareholder Proposal Regarding Report on GHG Targets and Alignment with Paris Agreement	Social: Shareholder Proposal Regarding Report on Hiring Practices
Company	American Water Works Co. Inc.	Microsoft Corporation
Holding Weight¹	1%	3%
Meeting Date	11-May-22	13-Dec-22
Vote Decision²	Mixed	Mixed
Vote Outcome	88%	11%
Fund Vote Rationale	While managers were generally supportive of the Company disclosing medium- and long-term GHG targets aligned with the Paris Agreement, the proposal was ultimately withdrawn prior to the meeting.	For (2): Managers who voted FOR this proposal were supportive of seeing this issue further addressed in the company's forthcoming racial equity audit (results due in 2023). Against (2): Managers who voted against felt this proposal did not merit support as the company's disclosure and/or practices pertaining to the item are already reasonable.
Pre-comms.³	Not applicable	No
Next steps	None to report	Managers are coordinating engagements with Microsoft on relevant ESG issues, and are also monitoring the company's response to shareholders on this proposal.

- 1) Approximate size of the holding in the Fund as at the date of the vote. Size at the end of the relevant quarter.
- 2) Fund Vote Decision. "Mixed" refers to occasions where underlying managers have voted differently for the same proposal. Vote decisions of this nature are monitored and fed into the wider engagement process with managers. In this case, two managers voted "For" and two managers voted "Against" the proposal.
- 3) The Manager was asked "if voted against management recommendation, did you communicate intentions prior", therefore if the Vote Decision was in line with management's recommendation, the response is not applicable.