

Engagement Policy Implementation Statement for the Year Ended 05 April 2024

MAN UK Group Pension Scheme (“the Scheme”)

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 Scheme's investments throughout the one-year period ending 05 April 2024 (the “Scheme Year”). The Trustees' policies are outlined in their Statement of Investment Principles (SIP). The SIP was last reviewed in January 2022. 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 Scheme'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 Trustees acknowledge 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 Environmental, Social and Corporate Governance (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 Trustees' perspectives on specific themes by evaluating the alignment between Mercer's engagement priority areas and those of the Trustees. Additionally, the survey highlights areas of focus that hold importance to the Trustees. The Trustees regularly review 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 Trustees' engagement policy and evaluates the extent to which it has been followed during the Scheme Year.

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

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

Policy Summary

The Trustees' ESG beliefs are outlined in Section 10 of the Scheme's SIP .

The Trustees regularly review Stewardship and Sustainability policies noted above. If the Trustees 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.

During the one-year period, the Investment Consultant provided the Trustees with updates on sustainability at the regular Trustee meetings. These sessions covered the setting of engagement priorities, most significant votes, a summary of Mercer's 2022 annual sustainability report and looking ahead to further developments coming. Through the fiduciary management arrangement, the Trustees review updates to Mercer's Sustainability Policy, to understand the approach that is taken to integrate sustainability on their behalf.

How the Policy has been implemented over the Scheme 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	Mercer Ratings
The Trustees regularly review 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 Trustees on a regular basis.	<p>Mercer and the Trustees 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 temperatures 	<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>

The Mercer [Sustainability Policy](#) is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling 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.

2. The associated transition to a low-carbon economy

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. 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 the long-term net zero portfolio carbon emissions expectation.

Across most asset classes, Mercer ratings are reviewed during quarterly monitoring by the 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 Trustees.

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

Sustainability-themed investments

An allocation to MGIE's Sustainable Global Equities and Sustainable Listed Infrastructure is included within the Schemes portfolio of Growth

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

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.

assets, with the allocation accounting for c.5.4% of the Growth Portfolio as at 5 April 2024.

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

The actively managed Mercer Sustainable Global Equity 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 annual Impact Report highlights the positive social and environmental impact generated by the Scheme's investments within the private markets Sustainable Opportunities solution.

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.

Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustees. [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 Trustees providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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

The Trustees' policy is as follows:

- **Delegation of Investment Management:** The Trustees delegate responsibility for the discretionary investment management of Scheme assets to Mercer. The Scheme'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 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. 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 voted¹ 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 Scheme's assets are invested in is provided for the year ending 05 April 2024. This may include information in relation to funds that the Scheme'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.

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 Fund	4,501	4,308	84%	12%	1%	4%	0%	87%	13%	272	54%
MGI UK Equity Fund	2,082	2,076	98%	2%	0%	0%	0%	98%	2%	94	29%
Mercer Multi-Asset Credit Fund ⁽¹⁾	17	17	94%	6%	0%	0%	0%	94%	6%	6	17%

Mercer Global Small Cap Equity Fund	6,463	6,162	86%	8%	0%	4%	2%	91%	9%	544	39%
Mercer Low Volatility Equity Fund	8,216	7,808	84%	7%	0%	5%	4%	92%	8%	483	37%
Mercer Fundamental Indexation Global Equity CCF	3,202	3,159	83%	13%	0%	1%	3%	86%	14%	223	72%
Mercer Passive Emerging Markets Equity Fund	23,174	21,945	79%	15%	1%	4%	0%	83%	17%	2809	51%
Mercer Sustainable Global Equity Fund	6,555	6,477	85%	11%	1%	1%	3%	89%	11%	396	57%
Mercer Passive Global REITS UCITS CCF	3,217	3,093	75%	19%	0%	4%	2%	78%	22%	322	70%
Mercer China Equity Fund	5,177	5,097	88%	11%	1%	0%	0%	88%	12%	500	44%
Mercer Sustainable Listed Infrastructure UCITS CCF	620	596	85%	8%	3%	0%	3%	91%	9%	43	53%

⁽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)”
- 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 Trustees have 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).

Where available, information on next steps and plans to escalate are included in the following 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 Fundamental Indexation Global Equity CCF	Apple Inc (6.9%)	10/03/2023: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No – 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.)	33% Support Proposal did not pass. (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.)
	Microsoft Corporation (2.6%)	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.)
		07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	For (No - A vote in favour of this proposal was warranted, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries such as Saudi Arabia. Microsoft appears to be embarking on a large build out of its data centre operations, with increasing demand for cloud computing services. The shareholder resolution proponents brought up legitimate concerns over potential complicity with human rights violations in high-risk countries, which could increase reputational, legal, and workforce risks to the company. As the company builds more data centres, additional disclosure on the company's human rights due diligence process for siting its data centres would help shareholders better evaluate the company's management of related risks. The language of the resolved clause was also relatively flexible and not overly burdensome.)	33% Support Proposal did not pass. (Data privacy and human rights concerns are significant risks for any technology company. Siting in countries with significant human rights concerns such as Saudi Arabia exposes Microsoft to significant legal and reputational risk. It is in the best interest of shareholders that these projects are carried out with proper consideration of the risks involved. The manager will continue supporting resolutions that aim to prevent country-risk from companies' operations in high-risk regions.)

		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>8% 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 seeks 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>
	Unitedhealth Group Inc (2.3%)	05/06/2023: Shareholder Proposal Regarding Racial Equity Audit (Governance)	<p>For (No – A vote FOR this resolution is warranted, as additional disclosure could help shareholders assess the impacts of the company's policies and practices on racial and ethnic minority communities.)</p>	<p>20% Support Proposal did not pass. (None to report)</p>
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 Fund	Duke Energy Corp. (5.0%)	04/05/2023: Shareholder Proposal Regarding Formation of Decarbonization Risk Committee (Environmental)	<p>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..)</p>	<p>3% Support Proposal did not pass. (None to report.)</p>
	Southern Company (4.2%)	24/05/2023: Shareholder Proposal Regarding Report on Net Zero 2050 Goal Progress (Environmental)	<p>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.)</p>	<p>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.)</p>

		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. (3.6%)	18/05/2023: Shareholder Proposal Regarding Paid Sick Leave (Social)	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. 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.)	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.)
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 Small Cap Equity Fund	Denny’s Corp. (0.4%)	17/05/2023: Shareholder Proposal Regarding Paid Sick Leave (Social)	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)	10% Support Proposal did not pass. (None to report)

	Bloomin' Brands (0.1%)	18/04/2023: Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement (Environmental)	For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)	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.)
	Texas Roadhouse Inc (0.0%)	11/05/2023: Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement (Environmental)	For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)	40% Proposal did not pass. (None to report)
Fund	Company (Holding Weight)	Meeting Date - Proposal Text (Significance Category)	Manager Vote Decision (Communication of vote against management - Rationale if available)	Proposal Outcome (Next steps if available)
Mercer Low Volatility Equity Fund	Alphabet Inc (2.9%)	02/06/2023: Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	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 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.)	18% Support Proposal did not pass. (None to report)

		<p>02/06/2023: Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)</p>	<p>Split (No – For (2): <i>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.</i> Against (1): <i>The manager who voted against felt this proposal did not merit support as the company's disclosures pertaining to the item are already reasonable.)</i></p>	<p>14% Support Proposal did not pass. (None to report)</p>
		<p>07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social)</p>	<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 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.)</p>	<p>1% Support Proposal did not pass. (None to report)</p>
<p>Microsoft Corporation (2.7%)</p>		<p>07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)</p>	<p>Split For (3): <i>(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.)</i> Against (1): <i>(No - 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</i></p>	<p>33% Support Proposal did not pass. (None to report)</p>

		<i>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 data operations in human rights hotspots is redundant.)</i>	
	07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	Against <i>(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.)</i>	9% Support Proposal did not pass. <i>(None to report)</i>
Unitedhealth Group Inc <i>(1.1%)</i>	05/06/2023: Shareholder Proposal Regarding Racial Equity Audit (Governance)	Against <i>(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.)</i>	20% Support Proposal did not pass. <i>(None to report)</i>

Fund	Company (Holding Weight)	Meeting Date - Proposal Text (Significance Category)	Manager Vote Decision (Communication of vote against management - Rationale if available)	Proposal Outcome (Next steps if available)
Mercer Passive Global REITS UCITS CCF	Digital Realty Trust Inc (2.4%)	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.)
	Klepierre (0.3%)	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 (3.4%)	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.)

Fund	Company (Holding Weight)	Meeting Date - Proposal Text (Significance Category)	Manager Vote Decision (Communication of vote against management - Rationale if available)	Proposal Outcome (Next steps if available)
Mercer Sustainable Global Equity Fund	American Water Works Co. Inc. (1.0%)	10/05/2023: Shareholder Proposal Regarding Racial Equity Audit (Human / Labour Rights)	<p>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 company's transition towards a more inclusive and diverse workforce and increase transparency. The Manager welcomes 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 we 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, the managers will vote in favour of this shareholder proposal to promote transparency.</p> <p>Against (1): Ultimately, the Manager took the decision to vote AGAINST the shareholder proposal to undertake a racial equity audit as they believed the company already undergoes a third-party evaluation. Further, the Manager noted that the company publishes extensively on their DEI commitments. This has improved over time. The Manager believes the proposal remains unwarranted at this time.)</p>	<p>39% Support Proposal did not pass. (The Manager who voted For expects the company to have a response to the high level of support and will advocate for the practice in engagement.</p> <p>One of the Managers who voted Against engaged with AWW multiple times in 2023 on this and other material ESG topics. The Manager discussed American Water Works' EDI goals; though these goals were not met in 2022, they have remained in place. The Manager encouraged the company to provide more transparency around their E,D&I goals and progress moving forward.)</p>
	Microsoft Corporation (4.0%)	07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social)	<p>Against (N/A - 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 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</p>	<p>1% Support Proposal did not pass. (None to report.)</p>

			<p><i>based on protected class and seeks to promote a culture based on equal opportunity.)</i></p>	
	<p>07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)</p>		<p>Split - One manager who voted against management's recommendation communicated their intentions to the company ahead of the vote. <i>(For (3): Managers who voted FOR 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. Managers also provided further context, noting that in 2021 the company announced plans to build 50-100 data centers each year, and is reportedly investing \$2.1 billion in cloud computing in Saudi Arabia. Managers acknowledged that whilst disclosure around the company's due diligence process exists, the company has seen recent controversies on its operations in Saudi. Therefore, given the flexibility of the request and the increased investment in Saudi Arabi and other countries with existing or potential human rights risks, managers felt it prudent to provide additional information to shareholders on how the company is expecting to manage these risks.</i></p> <p>Against (1): <i>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 data operations in human rights hotspots is redundant.)</i></p>	<p>33% Support Proposal did not pass. (None to report.)</p>

		07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Social)	<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>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.</p>	<p>9% Support Proposal did not pass. (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. In addition, one manager who voted against noted the intend to continue engaging with the company on this issue as the manager believes it presents material risk to the company, especially as it expands in data center capabilities.)</p>
	Schneider Electric SE (1.2%)	04/05/2023: Opinion on Climate Strategy Strategy (Environmental)	<p>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.)</p>	<p>96% Support Proposal passed. (Managers will monitor the company's progress and review any updates to its strategy as they become available.)</p>
Fund	Company (Holding Weight)	Meeting Date - Proposal Text (Significance Category)	Manager Vote Decision (Communication of vote against management - Rationale if available)	Proposal Outcome (Next steps if available)
MGI Eurozone Equity Fund	BP plc (0.5%)	27/04/2023: Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions (Environmental)	<p>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.)</p>	<p>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.)</p>

	Engie (0.7%)	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 (1.0%)	26/05/2023: Opinion on 2023 Sustainability and Climate Progress Report (Environmental)	For (N/A - Managers supported this proposal, noting the 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.)	86% Support Proposal passed. (Managers are continuing to monitor the company against its recent commitments.)
		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)
Fund	Company (Holding Weight)	Meeting Date - Proposal Text (Significance Category)	Manager Vote Decision (Communication of vote against management - Rationale if available)	Proposal Outcome (Next steps if available)
MGI UK Equity Fund	BP plc (2.4%)	27/04/2023: Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions (Environmental)	Against (N/A - Manager voted against as there were concerns that shareholder-mandated revisions of the company's Scope 3 emissions reduction targets would not be in the best interest of shareholders.)	16% Support Proposal did not pass. (None to report)

<p>Legal & General Group plc (1.5%)</p>	<p>18/05/2023: Approval of Climate Transition Plan (Environmental)</p>	<p>For (N/A 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, information concerning its scenario analysis, and has received third-party assurance on its GHG emissions. Overall, we believe its disclosure is sufficient to allow shareholders to understand and evaluate how the Company intends, at this time, to meet its climate objectives.)</p>	<p>95% Support Proposal passed. (None to report)</p>
<p>Shell Plc (4.5%)</p>	<p>23/05/2023: Approval of Energy Transition Progress (Environmental)</p>	<p>For (N/A - Given the totality of circumstances, including the recent energy crisis, the manager acknowledge the potential of utilizing this proposal to express concerns about the ambition of the Company's climate plan, such as its lack of absolute Scope 3 targets. However, on balance, particularly in consideration of the Company's engagement with shareholders on this matter and its robust disclosures, the manager did not believe it was warranted to oppose this proposal.)</p>	<p>77% Support Proposal passed. (None to report)</p>
	<p>23/05/2023: Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement (Environmental)</p>	<p>Against (N/A - Given the Company's existing GHG reduction goals, and its extensive disclosure on the steps it is taking to mitigate its environmental impact, the manager did not believe that adoption of this proposal would benefit the Company or its shareholders.)</p>	<p>19% Support Proposal did not pass. (None to report)</p>