

Engagement Policy Implementation Statement for the Year Ended 31 March 2024

Fresenius Medical Care Group (UK) Pension Plan (“the Plan”)

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 Plan's investments throughout the one-year period ending 31 March 2024 (the “Plan Year”). The Trustees' policies are set out in their Statement of Investment Principles (SIP). A copy of the Trustees' SIP is available at <https://www.freseniusmedicalcare.co.uk/en-gb/statement-of-investment-principles>.

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. For the avoidance of doubt, this Statement does not include commentary on activity relating to the Plan's AVC holdings.

The Trustees have appointed Mercer Limited (“Mercer”) as the discretionary investment manager and the Plan's assets are invested in a diverse range of specialised pooled funds (“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 to manage 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. 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 about the engagement and voting undertaken within the Mercer Funds 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 that are important to investors.

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

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

Considering the analysis presented in Sections 2 to 3 (these exclude the Plan's AVC investments), the Trustees believe that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Plan Year.

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

Policy Summary

The Trustees' ESG beliefs are outlined in Section 9 of the SIP. The Trustees regularly review Mercer's Stewardship and Sustainability policies. If the Trustees believe 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.

How the Policy has been implemented over the Plan 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 Footprinting | 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, 4 stars out of 5 for Policy Governance and Strategy. The goal of the Principles is to understand the implications of sustainability for investors and support signatories to facilitate</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 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 its UK clients in general with discretionary</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 regarding 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>Over the Plan Year, the Trustees noted that over 20% of the Mercer Funds had seen an improved ESG rating over the year and that the majority have</p> |

incorporating these issues into their investment decision-making and ownership practices.

portfolios and, in doing so, for the majority of its Mercer Funds that the Plan invests in. To achieve this, Mercer set a 2030 target to reduce portfolio carbon emissions by 45% for Mercer's Diversified Growth Fund ("DGF") used by the Plan from 2019 baseline levels. The Trustees note that, as of 31 December 2023, there had been a 35% reduction in emissions since 2019, bringing the 45% baseline-relative reduction by 2030 well within range.

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](#).

a rating ahead of the wider universe (as at 31 December 2022).

Approach to Exclusions

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.

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

Sustainability-themed investments

An allocation to the sustainable equity and listed infrastructure Mercer Funds is included within the Plan's DGF 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).

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.

Diversity

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.

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%.

For fixed income and equity Mercer Funds, the average Fund has 15% and 17% non-male KDMs 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

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.

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 which have been set on behalf of the Trustees, 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 in Mercer's Stewardship Reports.

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

The Trustees' policy is as follows:

- 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 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 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 Plan's assets are invested in (partly via the DGF) is provided for the year ending 31 March 2024. This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. The statistics are drawn from the Glass Lewis system (via the custodian of the Mercer Funds). Glass Lewis is a leading provider of governance and proxy voting services.

| Fund | Total Proposals | | Vote Decision | | | | | For/Against Mgmt | | Meetings | |
|--|--------------------|--------------------|---------------|---------|---------|-----------|-------|------------------|---------|----------|---------|
| | Eligible Proposals | Proposals Voted On | For | Against | Abstain | No Action | Other | For | Against | No. | Against |
| Mercer Passive Emerging Markets Equity Fund* | 22,915 | 21,686 | 79% | 16% | 1% | 4% | 0% | 82% | 18% | 2808 | 52% |
| Mercer Passive Low Volatility Equity UCITS CCF* | 4,032 | 3,954 | 82% | 13% | 0% | 2% | 3% | 85% | 15% | 282 | 75% |
| Mercer Passive Global Small Cap Equity UCITS CCF* | 47,441 | 45,370 | 81% | 13% | 0% | 4% | 2% | 85% | 15% | 4441 | 70% |
| Mercer Passive Global REITS UCITS CCF* | 3,208 | 3,084 | 75% | 19% | 0% | 4% | 2% | 78% | 22% | 332 | 68% |
| Mercer Passive Climate Transition Infrastructure Equity UCITS CCF* | 3,239 | 3,059 | 69% | 24% | 2% | 3% | 1% | 74% | 26% | 295 | 72% |
| Mercer Passive Fundamental Indexation Global Equity* | 3,274 | 3,232 | 83% | 13% | 0% | 1% | 3% | 86% | 14% | 225 | 76% |
| Mercer Passive Sustainable Global Equity UCITS CCF* | 17,113 | 16,467 | 75% | 19% | 1% | 3% | 2% | 78% | 22% | 1180 | 82% |
| Mercer Passive Global Equity CCF | 21,341 | 18,067 | 73% | 9% | 0% | 15% | 2% | 85% | 15% | 1466 | 65% |

*These funds are underlying constituents of the DGF, we do not have overall voting statistics for the fund but have included these for completeness.

- "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.

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

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).

Most Significant Votes

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|----------------------------------|--------------------------|---|---|---|
| Mercer Passive Global Equity CCF | 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 Commitments and the Paris Agreement (Environmental) | 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 manager's engagement and voting priorities for ensuring their portfolios reach Net Zero. The manager will continue monitoring the company's reporting developments.) |
| | 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 currently.) | 1.6% Support Proposal did not pass. (None to report) |

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|---|------------------------------------|---|---|--|
| Mercer Passive Global Equity CCF (cont.) | 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 is providing shareholders with sufficient disclosure to evaluate its diversity and inclusion efforts and non-discrimination policies, and including ideology and viewpoint in EEO policies does not appear to be a standard industry or market practice currently. 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 Equity Report (Governance) | For (No - Apple does not publish for its U.S. or global workforce the same gender pay 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 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.) | 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.) |
| | 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 is taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. The company's EEO Policy prohibits discrimination based on political affiliation and there do not seem to be allegations of workforce discrimination. A vote against this proposal was warranted, as the company is 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 based on political affiliation, therefore the request of the resolution was redundant.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|---|------------------------------------|---|--|--|
| Mercer Passive Global Equity CCF (cont.) | Microsoft Corporation (4.7%) | 07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social) | <p>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 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 provides 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 currently.)</p> | 1% Support Proposal did not pass. (None to report.) |
| | 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> | 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.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|--|------------------------------------|--|--|---|
| Mercer Passive Fundamental Indexation Global Equity | Apple Inc (3.1%) | 28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance) | For (No - Manager's policy dictates they will support proposals that seek the disclosure of the median pay gap.) | 30.9% Support Proposal did not pass. (The shareholder proposal received support of 33.8% of votes cast. Manager will be reviewing whether Apple take further steps regarding diversity reporting.) |
| | Apple Inc (3.1%) | 28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social) | Against (No - Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.) | 1.6% Support Proposal did not pass. (No further steps are planned on this specific topic as we feel that the matter is already addressed.) |
| | Apple Inc (3.1%) | 28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social) | Against (No - Apple appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies. Including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.) | 1.3% Support Proposal did not pass. (No further steps are planned on this specific topic as we feel that the matter is already addressed.) |
| | Microsoft Corporation (2.8%) | 07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social) | Against (No - The company's existing policies prohibit discrimination based on political affiliations, The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. The company prohibits discrimination on the basis of protected class and seeks to promote a culture based on equal opportunity. This proposal is covered by existing policies.) | 1% Support Proposal did not pass. (None to report) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|---|--------------------------------------|--|--|---|
| Mercer Passive Fundamental Indexation Global Equity (cont.) | Microsoft Corporation (2.8%) | 07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social) | For (No - Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.) | 33% Support Proposal did not pass. (We shall monitor the response from the company given the high level of support for this proposal.) |
| | Microsoft Corporation (2.8%) | 07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental) | Against (No - The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.) | 9% Support Proposal did not pass. (None to report.) |
| | Fedex Corp (1.1%) | 21/09/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options (Environmental) | For (No - The proposal would further enable shareholders to determine the strength of company policy, strategy and approach in managing the retirement plan.) | 7.6% Support Proposal did not pass. (None to report.) |
| Mercer Passive Climate Transition Infrastructure Equity UCITS CCF | EDP-Energias DE Portugal S.A. (1.3%) | 12/04/2023: Assessment of 2030 Climate Change Commitment (Environmental) | For (No - The manager supported this proposal as they felt the current level of disclosures are sufficient to allow shareholders to understand and evaluate how the company intends to meet its climate objectives. The company has adopted a net zero ambition and has set reduction targets for its Scope 1, 2, and 3 emissions. The Company also provides reporting aligned with the TCFD and information concerning its scenario analysis.) | 100% Support Proposal passed. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|---|-----------------------------|--|---|---|
| Mercer Passive Climate Transition Infrastructure Equity UCITS CCF (cont.) | CenterPoint Energy (1.1%) | 21/04/2023: Shareholder Proposal Regarding Scope 3 Targets (Environmental) | For (No - The manager voted for this resolution is applied as they expect companies to set 1.5 degree aligned targets covering all scopes of emissions.) | 18% Support Proposal did not pass. (While there is room for improvement regarding scope 3 targets, the company has made clear progress over recent years. They have committed to Net Zero direct emissions by 2035, driven by an accelerated closure of coal plants replaced by solar, wind and batteries. The manager will continue to engage as the company progresses its commitment.) |
| | Southern Company (1.3%) | 24/05/2023: Shareholder Proposal Regarding Report on Net Zero 2050 Goal Progress (Environmental) | Against (N/a - A vote against is applied as the manager expects companies to be taking sufficient action on the key issue of climate change.) | Withdrawn (The proposal was withdrawn following the managers' vote.) |
| | Southern Company (1.3%) | 24/05/2023: Shareholder Proposal Regarding Scope 3 GHG Emissions Targets (Environmental) | For (No - A vote in support of this proposal is warranted as the manager expects increasing transparency of strategy aligned to 1.5C pathway in line with the company's stated commitments. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets. The manager will continue to monitor the Company's commitments and disclosures in this regard.) | 19% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.) |

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|---------------------------------------|---------------------------------|---|--|--|
| Mercer Passive Global REITS UCITS CCF | Digital Realty Trust Inc (2.9%) | 08/06/2023: Shareholder Proposal Regarding Concealment Clauses (Governance) | For (No - A vote in favour is applied as the manager supports proposals related to improvement in information available in respect of diversity and inclusion policies as the manager considers these issues to be a material risk to companies. In addition, in June 2022, 45.59% percent of Digital Realty's investors supported the request of this resolution. Since this high vote, the company has not released any additional information on its use of concealment clauses, nor has it agreed to a conversation with the resolution's proponents.) | Withdrawn (The proposal was withdrawn following the managers' vote. The manager will review the proposal if it is tabled again at future AGMs, and continue to monitor the company's D&I disclosure and policies.) |
| | 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.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|--|--|---|--|---|
| Mercer Passive Global Small Cap Equity UCITS CCF | New York Community Bancorp Inc. (0.0%) | 01/06/2023: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement (Environmental) | For (No - The manager voted for this proposal, noting the benefits to shareholders of improvements in disclosure around the company's climate lobbying activity in line with the Global standard on responsible corporate climate lobbying.) | 94% Support Proposal passed. (None to report) |
| | Casey's General Stores, Inc. (0.2%) | 06/09/2023: Shareholder Proposal Regarding Disclosure of Supplier Code of Conduct (Governance) | For (No - The manager supported this item, given that additional clarity on the Company's responsible sourcing practices or the timeline associated with the release of a Supplier Handbook containing the information outlined in its sustainability report, is warranted) | 18% Support Proposal did not pass. (None to report) |
| | Casey's General Stores, Inc. (0.2%) | 06/09/2023: Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement (Environment) | For (No - The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.) | 32% Support Proposal did not pass. (None to report) |
| | Texas Roadhouse Inc (0.1%) | 11/05/2023: Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement (Environmental) | For (No - The manager supported this shareholder proposal as they believed its success would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.) | 40% Support Proposal did not pass. (None to report) |
| Mercer Passive Low Volatility Equity UCITS CCF | Lilly(Eli) & Co (1.0%) | 01/05/2023: Shareholder Proposal Regarding Diversity and Inclusion Report (Social) | Against (N/a - The manager did not support this proposal as they felt the company provides existing reporting covering the majority of the information requested.) | 27% Support Proposal did not pass. (None to report) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|--|------------------------------|--|---|---|
| Mercer Passive Low Volatility Equity UCITS CCF (cont.) | Microsoft Corporation (1.6%) | 07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social) | Against (No - The company's existing policies prohibit discrimination based on political affiliations, The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. The company prohibits discrimination on the basis of protected class and seeks to promote a culture based on equal opportunity. This proposal is covered by existing policies.) | 1% Support Proposal did not pass. (None to report) |
| | Microsoft Corporation (1.6%) | 07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social) | Against (No - Microsoft already provides pay equity and median gender and racial pay gap reporting. It further provides various health and wellbeing benefits, details of which are disclosed.) | 1% Support Proposal did not pass. (We shall monitor the response from the company given the high level of support for this proposal.) |
| | Microsoft Corporation (1.6%) | 07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental) | Against (No - The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.) | 9% Support Proposal did not pass. (None to report) |
| | PepsiCo Inc (1.3%) | 03/05/2023: Shareholder Proposal Regarding Congruency Report on Net-Zero Emissions Policy (Environmental) | Against (N/a - The manager voted against this proposal, noting that the company have existing disclosures in place that meet the requirements of this reporting. In particular, the company publishes its GHG emissions targets, and its emissions generated from employee travel. This information allows shareholders to assess the company's congruence between its publicly stated goals, and its policies and expenditures on employee travel.) | 2% Support Proposal did not pass. (None to report) |

| 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) |
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| Mercer Passive Sustainable Global Equity UCITS CCF | Alphabet Inc (2.6%) | 02/06/2023: Shareholder Proposal Regarding Human Rights Impact Assessment (Social) | For (The manager published their intention to vote for this resolution, against management's recommendation. - A vote in favour is applied as the manager supports such risk assessments as they consider human rights issues to be a material risk to companies.) | 18% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.) |
| | Alphabet Inc (2.6%) | 02/06/2023: Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental) | For (No - The manager voted for this proposal, noting their encouragement of all companies to report their climate lobbying activity in line with the Global standard on responsible corporate climate lobbying.) | 14% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.) |
| | Apple Inc (5.5%) | 28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance) | For (No - A vote in favour was applied as the manager expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap.) | 30.9% Support Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager has engaged with Apple a number of times in recent years, and will monitor their response to shareholder concerns on these issues.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|---|------------------------------------|--|--|---|
| Mercer Passive Sustainable Global Equity UCITS CCF (cont.) | Apple Inc (5.5%) | 28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social) | Against (N/A - A vote AGAINST this proposal is warranted. The company appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.) | 1.6% Support Proposal did not pass. (None to report.) |
| | Apple Inc (5.5%) | 28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social) | Against (N/A - A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.) | 1.3% Support Proposal did not pass. (None to report.) |
| | Microsoft Corporation (7.9%) | 07/12/2023: Shareholder Proposal Regarding EEO Policy Risk Report (Social) | Against (N/a - The manager voted against this proposal, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint.) | 1% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.) |
| | Microsoft Corporation (7.9%) | 07/12/2023: Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social) | For (No - The manager supported this proposal, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.) | 33% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.) |

| Fund | Company (Holding Weight) | Meeting Date: Proposal Text (Significance Category) | Manager Vote Decision (Intention to vote against management communicated – Rationale, if available) | Proposal Outcome (Next steps to report, if any) |
|--|------------------------------|--|---|--|
| Mercer Passive Sustainable Global Equity UCITS CCF (cont.) | Microsoft Corporation (7.9%) | 07/12/2023: Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental) | Against (N/a - The manager voted against this proposal, given because the company's retirement plan is managed by a third-party fiduciary and employees are offered a self-directed option.) | 9% Support Proposal did not pass. (Microsoft is a company with whom the manager does have a direct relationship, and in their meetings with them, the manager intends to continue assessing their processes and disclosures regarding these issues.) |