

# Engagement Policy Implementation Statement for the Year Ended 31 December 2023

## CAB International Pension Scheme - IFIS Section (“the Section”)

### 1. INTRODUCTION

This Engagement Policy Implementation Statement (the Statement) sets out the Trustee's assessment of how, and the extent to which, they have followed their engagement policy and their policy with regard to the exercise of rights (including voting rights) attaching to the Section's investments during the one-year period to 31 December 2023 (the “Scheme Year”). The Trustee's policies are set out in their Statement of Investment Principles (SIP) dated November 2022. A copy of the Trustee's SIP is available at <https://www.schemedocs.com/IFIS-pension-scheme.html>.

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

The Trustee has appointed Mercer Limited (Mercer) as a discretionary investment manager and the Section's public market assets are invested in a range of specialist pooled funds (the Mercer Funds). Management of the assets of each Mercer Fund is undertaken by a Mercer affiliate, Mercer Global Investments Europe Limited (MGIE). The relevant Mercer affiliate is responsible for the appointment and monitoring of suitably diversified portfolio of specialist third party investment managers for each Mercer Fund's assets.

As of the 31 December 2023, the Section also held investments with M&G Investments, Fidera Limited and Taconic Capital, which are not included in this statement due to a lack of data availability, given the nature of these investments.

The 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 [Stewardship Policy](#) provides more detail on Mercer's beliefs and implementation on stewardship specifically. Under these arrangements, the Trustee accepts that they do not have the ability to directly determine the engagement or voting policies or arrangements of the managers of the Mercer Funds. However, the Trustee has reviewed these policies and note an awareness of engagement topics that are important to the Section. Mercer's Client Engagement Survey seeks to integrate the Trustee's views on specific themes by assessing the level of alignment between Mercer's engagement priority areas and those of the Trustee, while highlighting additional areas of focus which are important to the Trustee. The Trustee reviews regular reports from Mercer with regard to the engagement and voting undertaken within the Mercer Funds in order to consider whether the policies align with those of the Trustee.

Section 2 of this Statement sets out the Trustee's engagement policy and assesses the extent to which it has been followed over the Scheme Year.

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

**Taking the analysis included in Sections 2 to 3 together, it is the Trustee's belief that their policies with regard to engagement and the exercise of rights attaching to investments has been successfully followed during the Scheme Year.**

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

### **Policy Summary**

The Trustee believes that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustee considers how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, is expected to provide reporting to the Trustee on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon foot printing for equities and other asset classed where relevant and data is available and/or climate transition analysis for diversified growth portfolios.

Should the Trustee consider that the engagement policies of Mercer, MGIE or the third party asset managers, do not align with those of the Trustee, the Trustee will notify Mercer and consider disinvesting some or all of the assets held in the Mercer Funds and/or seek to renegotiate commercial terms with Mercer.

The Trustee has also considered the Sponsors responsible investment policy and note they are ahead of the curve with their core activities being carbon neutral.

## How the Policy has been implemented over the Scheme Year

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

<b>Policy Updates</b>	<b>Climate Change Reporting and Carbon Foot-printing</b>	<b>ESG Rating Review</b>
<p>The Trustee considers how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers within the Mercer Funds, in the monitoring process. Mercer, and MGIE, provide reporting to the Trustee on a regular basis.</p> <p>The Mercer <u>Sustainability Policy</u> is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling section is now detailed the standalone Task Force on Climate Related Financial Disclosures (<u>TCFD</u>) <u>report</u>.</p> <p>In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer has implemented a standalone <u>Stewardship Policy</u> to specifically address the requirements of SRD II.</p> <p>The most recent <u>UN Principles of Responsible Investment</u> results (based on 2022 activity) awarded Mercer were awarded 4 stars out of 5 for Policy Governance and Strategy.</p>	<p>Consideration of the impacts of climate change has been central to Mercer's global investment beliefs since 2014. Mercer and the Trustee believes climate change poses a systemic risk, with financial impacts driven by two key sources of change:</p> <ol style="list-style-type: none"><li>1. The physical damages expected from an increase in average global temperatures</li><li>2. The associated transition to a low-carbon economy</li></ol> <p>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.</p> <p>In early 2021, Mercer announced its aim to achieve net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian clients with discretionary portfolios and for the majority of its multi-client, multi-asset funds domiciled in Ireland. This pledge covers the Section's Growth Portfolio assets, excluding the private market assets. To achieve this, Mercer set a 2030 target to reduce portfolio carbon emissions by 45% from 2019</p>	<p>Where available, ESG ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually - which seeks evidence of positive momentum on ESG integration and compares the Irish domiciled Mercer Funds overall ESG rating with the appropriate universe of strategies in Mercer's Global Investment Manager Database (GIMD). Engagements are prioritised with managers where their strategy's ESG rating is behind that of their peer universe.</p> <p>As at 31 December 2022, in the Annual Sustainability Report provided by Mercer, the Trustee notes over 20% of Mercer's Funds have seen an improved ESG rating over the year and the vast majority have a rating ahead of the wider universe. Due to the nature of certain strategies, they do not have an ESG rating (i.e. are N rated) and are therefore excluded from this review.</p>

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baseline levels and is on track to achieve this aim. Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), including the [Mercer Investment Solutions Europe - Investment Approach to Climate Change 2022 Status Report](#).

As at 31 December 2022, Mercer are on track to reach our long-term net zero portfolio carbon emissions target. There has been a notable 16% reduction over the 3 years since 2019 baseline levels, resulting in the 45% baseline-relative reduction by 2030 being within range.

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### Approach to Exclusions

Mercer and MGIE preference is to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions Framework. Controversial weapons and civilian firearms are excluded from active equity and fixed income funds, and passive equity funds. In addition tobacco companies (based on revenue) and nuclear weapons are excluded from active equity and fixed income funds. The Mercer sustainability-themed funds have additional exclusions, for example covering gambling, alcohol, adult entertainment and fossil fuels.

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.

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### Sustainability-themed investments

An allocation to Sustainable Equities is included within the Section's Diversified Growth Fund (DGF), with the strategic allocation to Passive Sustainable Equities now accounting for c.8% of the DGF.

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

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### Diversity

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

Mercer considers broader forms of diversity in decision-making, but currently report on gender diversity. As at 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%.

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Over the year to 31 December 2022, there has been an increase across both active equity and fixed income multi-client funds and their respective universes and across both active equity and fixed income multi-client funds, the representation of females KDMs is higher than the broader universe of 13.7%. Mercer expect this number to grow over time both across our funds and the industry as a whole, supported in part through our engagements with managers on the topic and participation in industry initiatives.

In Q3 2022, MGIE was confirmed as a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023.

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## Engagement

The 2023 Stewardship Report highlights the engagement objectives which have been set, examples of engagement and the escalation process and participation in collaborative initiatives. Mercer's annual Global Manager Engagement Survey on sustainability and stewardship topics, now in its third year, was distributed to over 200 managers. 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 provides an important source of information for tracking and measuring our managers' stewardship efforts to assess effectiveness and to identify potential areas for improvement. Results and insights from the survey will be shared in Mercer's Annual Stewardship Report which is reviewed by the **Trustee**.

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

### Policy

The Trustee's policy is to delegate responsibility for the discretionary investment management of Section's public market assets to Mercer, and to invest the Section's public market assets in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager. In order for the Trustee to discharge its obligations with respect of voting and engagement, it requires reporting on the engagement and voting undertaken within the Mercer Funds in order to consider whether the policies align with those of the Trustee.

Voting rights that apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third party investment managers appointed by MGIE. In delegating these rights, MGIE accepts that managers are typically best placed to exercise voting rights and prioritise particular engagement topics by security, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, Mercer has a pivotal role in monitoring their stewardship activities and promoting more effective stewardship practices, including ensuring attention is given to more strategic themes and topics. As such, proxy voting responsibility is given to listed equity investment managers with an expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting, as part of the selection process to ensure it is representing Mercer's commitment to good governance, integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. As such the Trustee does not use the direct services of a proxy voter.

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

Set out below is a summary of voting activity for the year to 31 December 2023 for a range of Mercer Funds that comprise the Section's Diversified Growth Fund. The statistics set out in the table below are drawn from the Glass Lewis voting system (via the custodian of the Mercer Funds). Typically, votes exercised against management can indicate a thoughtful and active approach. This is particularly visible where votes have been exercised to escalate engagement objectives. The expectation is for all shares to be voted.

Please note that voting activity data is not available for the funds held with M&G Investments, Fidera Limited and Taconic Capital, due to the nature of these investments. The remainder of the Section's assets are invested in assets with no voting rights and are therefore not considered below.

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	<b>23,174</b>	<b>21,945</b>	79%	15%	1%	4%	0%	83%	17%	2809	51%
Mercer Passive Fundamental Indexation Global Equity	<b>3,202</b>	<b>3,159</b>	83%	13%	0%	1%	3%	86%	14%	223	72%
Mercer Passive Climate Transition Infrastructure Equity UCITS CCF	<b>3,287</b>	<b>3,102</b>	70%	23%	3%	3%	1%	74%	26%	305	70%
Mercer Passive Global REITS UCITS CCF	<b>3,217</b>	<b>3,093</b>	75%	19%	0%	4%	2%	78%	22%	322	70%

Mercer Passive Global Small Cap Equity UCITS CCF	<b>47,957</b>	<b>45,779</b>	81%	13%	0%	4%	2%	85%	15%	4495	70%
Mercer Passive Low Volatility Equity UCITS CCF	<b>4,165</b>	<b>4,084</b>	82%	13%	0%	2%	3%	85%	15%	291	75%
Mercer Passive Sustainable Global Equity UCITS CCF	<b>17,162</b>	<b>16,493</b>	75%	19%	1%	3%	2%	77%	23%	1184	82%

- “Eligible Proposals” reflect all proposals of which managers were eligible to vote on over the period
- “Proposals Voted On” reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the “Other” category)”
- “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).
- “No. of meetings” represents meetings were eligible to vote at.
- “Against\*\*” represents in what % of meetings voted at least once against management.
- “Meetings No.” refers to the number of meetings the managers were eligible to vote at.
- “Meetings Against” refers to the no. of meetings where the managers voted at least once against management, reported as a % of the total eligible meetings.

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

1. The proposal topic relates to an Engagement Priority (climate change, human/labour rights, and diversity). This is classified in the “Proposal Description” column below, referenced as Environmental, Social, and Governance respectively.
2. The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals).

## Most Significant Votes

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 Fundamental Indexation Global Equity	Apple Inc (7.1%)	10/03/2023: <b>Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report</b> (Governance)	<b>For</b> (No - Manager's policy dictates they will support proposals that seek the disclosure of the median pay gap.)	<b>32% Support</b> Proposal did not pass. (The shareholder proposal received support of 33.8% of votes cast. Manager will be reviewing whether Apple take further steps in regard to diversity reporting.)

Microsoft Corporation (2.6%)	07/12/2023: <b>Shareholder Proposal Regarding EEO Policy Risk Report</b> (Social)	<b>Against</b> (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.)	<b>1% Support</b> Proposal did not pass. (None to report)
	07/12/2023: <b>Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern</b> (Social)	<b>For</b> (No - Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries..)	<b>33% Support</b> Proposal did not pass. (We shall monitor the response from the company given the high level of support for this proposal..)
	07/12/2023: <b>Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options</b> (Environmental)	<b>Against</b> (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.)	<b>9% Support</b> Proposal did not pass. (None to report.)
Fedex Corp (1.2%)	21/09/2023: <b>Shareholder Proposal Regarding Paid Sick Leave</b> (Social)	<b>For</b> (No - The manager voted in favour of this proposal, and are supportive of the company putting policies in place and making them more publicly accessible to stakeholders and investors seeking to assess key social issues in companies.)	<b>11% Support</b> Proposal did not pass. (None to report)
	21/09/2023: <b>Shareholder Proposal Regarding Just Transition Reporting</b> (Environment)	<b>For</b> (No - While the company is making good progress (for example the new electric vehicle fleet and its long term effect on GHG emissions), the manager supported this proposal as they felt it would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.)	<b>30% Support</b> Proposal did not pass. (The shareholder proposal received support of 30% of votes cast. Manager will be reviewing whether Fedex take further steps in regard to Just Transition reporting..)



	21/09/2023: <b>Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options</b> (Environmental)	<b>For</b> (The manager supported this proposal, given the information requested in the report would allow plan members and shareholders to better evaluate the company's strategies and management of related risks.)	<b>8% Support</b> Proposal did not pass. (None to report.)
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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 Climate Transition Infrastructure Equity UCITS CCF	EDP-Energias DE Portugal S.A. (1.9%)	12/04/2023: <b>Assessment of 2030 Climate Change Commitment</b> (Environmental)	<b>For</b> (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.)	<b>100% Support</b> Proposal passed. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
	CenterPoint Energy (1.7%)	21/04/2023: <b>Shareholder Proposal Regarding Scope 3 Targets</b> (Environmental)	<b>For</b> (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.)	<b>18% Support</b> 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 (1.8%)	24/05/2023: <b>Shareholder Proposal Regarding Report on Net Zero 2050 Goal Progress</b> (Environmental)	<b>Against</b> (N/A - A vote against is applied as the manager expects companies to be taking sufficient action on the key issue of climate change.)	<b>Withdrawn</b> (The proposal was withdrawn following the managers' vote.)

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)
		24/05/2023: <b>Shareholder Proposal Regarding Scope 3 GHG Emissions Targets</b> (Environmental)	<b>For</b> (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.)	<b>19% Support</b> Proposal did not pass. (The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.)
Mercer Passive Global REITS UCITS CCF	Digital Realty Trust Inc (2.4%)	08/06/2023: <b>Shareholder Proposal Regarding Concealment Clauses</b> (Governance)	<b>For</b> (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.)	<b>Withdrawn</b> (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: <b>Opinion on Climate Ambitions and Objectives</b> (Environmental)	<b>For</b> (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.)	<b>93% Support</b> 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.)

	<b>Public Storage</b> (3.4%)	02/05/2023: <b>Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement</b> (Environmental)	<b>For</b> (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.)	<b>35% Support</b> 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.)
<b>Fund</b>	<b>Company</b> (Holding Weight)	<b>Meeting Date - Proposal Text</b> (Significance Category)	<b>Manager Vote Decision</b> (Communication of vote against management - Rationale if available)	<b>Proposal Outcome</b> (Next steps if available)
<b>Mercer Passive Global Small Cap Equity UCITS CCF</b>	<b>New York Community Bancorp Inc.</b> (0.1%)	01/06/2023: <b>Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement</b> (Environmental)	<b>For</b> (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.)	<b>94% Support</b> Proposal passed. (None to report)
	<b>Casey's General Stores, Inc.</b> (0.2%)	06/09/2023: <b>Shareholder Proposal Regarding Disclosure of Supplier Code of Conduct</b> (Governance)	<b>For</b> (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.)	<b>18% Support</b> Proposal did not pass. (None to report)
		06/09/2023: <b>Shareholder Proposal Regarding Report on Aligning GHG Reductions with Paris Agreement</b> (Environment)	<b>For</b> (No - The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.)	<b>32% Support</b> Proposal did not pass. (None to report)

	<b>Texas Roadhouse Inc</b> (0.1%)	11/05/2023: <b>Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement</b> (Environmental)	<b>For</b> (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.)	<b>40% Support</b> Proposal did not pass. (None to report)
<b>Fund</b>	<b>Company</b> (Holding Weight)	<b>Meeting Date - Proposal Text</b> (Significance Category)	<b>Manager Vote Decision</b> (Communication of vote against management - Rationale if available)	<b>Proposal Outcome</b> (Next steps if available)
<b>Mercer Passive Low Volatility Equity UCITS CCF</b>	<b>Lilly(Eli) &amp; Co</b> (1.4%)	01/05/2023: <b>Shareholder Proposal Regarding Diversity and Inclusion Report</b> (Social)	<b>Against</b> (N/A - The manager did not support this proposal as they felt the company provides existing reporting covering the majority of the information requested.)	<b>27% Support</b> Proposal did not pass. (None to report)
	<b>Microsoft Corporation</b> (1.4%)	07/12/2023: <b>Shareholder Proposal Regarding EEO Policy Risk Report</b> (Social)	<b>Against</b> (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..)	<b>1% Support</b> Proposal did not pass. (None to report)

		07/12/2023: <b>Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern</b> (Social)	<b>For</b> <i>(No - Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.)</i>	<b>33% Support</b> Proposal did not pass. <i>(We shall monitor the response from the company given the high level of support for this proposal.)</i>
		07/12/2023: <b>Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options</b> (Environmental)	<b>Against</b> <i>(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.)</i>	<b>9% Support</b> Proposal did not pass. <i>(None to report)</i>
	<b>PepsiCo Inc</b> (1.4%)	03/05/2023: <b>Shareholder Proposal Regarding Congruency Report on Net-Zero Emissions Policy</b> (Environmental)	<b>Against</b> <i>(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.)</i>	<b>2% Support</b> Proposal did not pass. <i>(None to report)</i>
<b>Fund</b>	<b>Company</b> <i>(Holding Weight)</i>	<b>Meeting Date - Proposal Text</b> <i>(Significance Category)</i>	<b>Manager Vote Decision</b> <i>(Communication of vote against management - Rationale if available)</i>	<b>Proposal Outcome</b> <i>(Next steps if available)</i>

<b>Mercer Passive Sustainable Global Equity UCITS CCF</b>	<b>Alphabet Inc</b> (2.4%)	02/06/2023: <b>Shareholder Proposal Regarding Human Rights Impact Assessment</b> (Social)	<b>For</b> <i>(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.)</i>	<b>18% Support</b> Proposal did not pass. <i>(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.)</i>
		02/06/2023: <b>Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement</b> (Environmental)	<b>For</b> <i>(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.)</i>	<b>14% Support</b> Proposal did not pass. <i>(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.)</i>
	<b>Apple Inc</b> (7.5%)	10/03/2023: <b>Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report</b> (Governance)	<b>For</b> <i>(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.)</i>	<b>33% Support</b> Proposal did not pass. <i>(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.)</i>
	<b>Microsoft Corporation</b> (7.7%)	07/12/2023: <b>Shareholder Proposal Regarding EEO Policy Risk Report</b> (Social)	<b>Against</b> <i>(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.)</i>	<b>1% Support</b> Proposal did not pass. <i>(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.)</i>

	<p>07/12/2023: <b>Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern</b> (Social)</p>	<p><b>For</b> <i>(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.)</i></p>	<p><b>33% Support</b> Proposal did not pass. <i>(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.)</i></p>
	<p>07/12/2023: <b>Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options</b> (Environmental)</p>	<p><b>Against</b> <i>(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.)</i></p>	<p><b>9% Support</b> Proposal did not pass. <i>(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.)</i></p>