



PUBLIC TRANSPARENCY REPORT

2023

Mercer (Fund of Funds Manager)

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| SLS 1 | CORE | N/A | N/A | PUBLIC | Senior Leadership Statement | GENERAL |

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Mercer believes a responsible investment approach is more likely to create and preserve long-term investment capital. Mercer's global Investment Beliefs (since 2014) state that: 1. Environmental, Social and Governance (ESG) factors can have a material impact on long-term risk and return outcomes and these should be integrated into the investment process. 2. Taking a broader and longer-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities. 3. Climate change poses a systemic risk, and investors should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes. 4. Stewardship (or active ownership) supports the realisation of long-term shareholder value by providing investors with an opportunity to enhance the value of companies and markets.

Mercer's overall approach is based on the consistent set of global beliefs above, applied across research, advice and solutions for clients, but may be tailored to cater for specific client needs or country-specific regulatory requirements and market environments. Our approach follows Mercer's Sustainable Investment Pathway, which begins with establishing Beliefs, followed by Policy, Process and Portfolio development, with portfolio implementation grouped into four strategies - ESG Integration; Active Ownership or Stewardship; Investment (thematic/impact); and Exclusions or Screening. This framework helps to deliver a consistent and comprehensive approach.

For Mercer's solutions, specifically Mercer's multi-manager, multi-client Funds (the Mercer Funds) domiciled in various regions, meeting fiduciary obligations via delivering on risk and return objectives is key for our clients, together with the increasing regulatory requirements in some regions. For the Mercer Funds, the overall approach is the same in each region, underpinned by consistent global beliefs as above, but the relevant policies in each outline the specific implementation commitments, consistent with local client and regulatory expectations. Where possible, we have identified where responses apply only in certain regions; where this is not possible responses reflect the most developed policies and practices where these are implemented in more than one region across our global organization. The net zero emissions target setting on discretionary multi-asset funds in Australia, New Zealand and Ireland (Europe) have been significant development, as has the meaningful number of funds in Europe that now meet the disclosure requirements under SFDR Article 8. In addition, we have set a 30 x 30 diversity goal of 30% for key decision makers within the Mercer investment teams and appointed investment managers for the Mercer Funds to be female-identifying by 2030 (excluding the US). See the Sustainable Outcomes module for further details on the commitments.

Since setting the targets, implementation activity and reporting to evidence progress has been a focus. This is evidenced by the investment that has been made in growing the sustainable investment teams that report to the Chief Investment Officer in Europe and the Pacific; our efforts to secure the most appropriate ESG data, following a major industry and service/data provider review in 2022, including on biodiversity and nature metrics and country risk ratings; our engagement with appointed managers via a major global annual survey and targeted follow up; and our efforts to create scalable systems required to meet various climate and other sustainability reporting demands, e.g. consistent with the Task Force on Climate-related Financial Disclosures (TCFD), for hundreds of UK and European clients.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Our commitment to integration implementation and reporting to stakeholders has been a major focus for 2022, with examples summarised below.

-Reviewed ESG data and stewardship third party providers and collaborative initiatives, after meaningful market changes in the three years since the prior review. We selected more than one provider, reflecting the strengths in each to meet our requirements e.g. expanding environmental metrics. Mercer also joined new collaborative initiatives - Investors Against Slavery and Trafficking (IAST), Australian Sustainable Finance Institute (ASFI), Circular Australia, and the 30% Club UK Investor Chapter.

-Evolved the investment team integration approach, with new regular investment team working groups across asset classes overseen by the CIOs and supported by the sustainable investment consulting team. Further work began in 2022 to better distil the suite of metrics in a decision useful way for asset class portfolio managers, and support engagement with investment managers.

-Completed a second global manager engagement survey (MES) on ESG and stewardship, including thematic focus areas, for investment managers across strategies. The MES has moved from distinct regional surveys to a single global survey, unlocking beneficial insights through comparisons between regions and asset classes to inform our expectations and engagement with managers.

-Maintained a focus on sustainable outcomes targets, implementation and monitoring. The net zero emissions targets set in Pacific and Europe improved metrics monitoring protocols and communications and Mercer's Analytics for Climate Transition (ACT) tool was updated. Data collation improvements were also actioned for unlisted portfolios in Pacific and climate scenario analysis revisited with the Ortec Finance partnership. Globally, monitoring and engaging on the gender diversity expectations for key decision makers remained important.

-Increased team resourcing reflecting regional stakeholder expectations. A Pacific Client Leader for SI was hired plus multiple new hires in the Pacific SI IM team, all starting early 2023. In Europe additional stewardship and analytics resourcing were supported and an Alternatives impact team was formalised. The SI teams reporting to the CIOs in Europe and the Pacific have now achieved meaningful scale. Personnel changes in North America and the current ESG environment means the strategy is under review.

-Invested in improved reporting processes and systems to deliver client reporting demands at scale, specifically the TCFD and stewardship reporting for UK and European clients. This was an explicit 2022 project and reflects the disclosure trend across multiple sustainable finance and stewardship aspects, and soon the Task Force on Nature-related Financial Disclosures (TNFD) in Europe and beyond.

-Continued to feature sustainable investment within global Mercer research and communications for clients, including in multiple Global Investment Forum events, the suite of research papers, blogs, and podcasts, reinforcing the integration importance.

-Received industry recognitions, including: Mercer Investments Australia recognised by the Responsible Investment Association Australasia as a Leader in 2022; Environmental Finance awarded Mercer Investment Consultant of the year at the Sustainable Investment Awards 2022 (for the Consulting business that supports the Fund of Funds teams globally); and Mercer's RITE tool awarded the Professional Pensions DB Investment Innovation (UK) of the Year award.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The developments in 2022 outlined above indicate how Mercer is seeking to advance our commitments in the coming years. Investments in data, reporting systems and people are not short-term endeavours and are part of a multi-year strategy. Balancing deep specialist expertise to keep ahead of emerging developments with strong integration expectations for the investment team is how we believe we will best serve our clients in meeting their regional requirements.

In late 2022 and into 2023, some global business and leadership changes have also prompted a structural review around governance and integration. One important component has been how sustainable investment can be better incorporated within strategic research, asset class teams, and regional client focused delivery. The initial foundations for some changes have been communicated, but we expect that may continue to evolve in the next two years. This includes research reviews on Mercer's global investment beliefs plus manager research process reviews to strengthen the stewardship focus on ESG integration assessments where outcomes may result in evolving changes.

Greater collaboration across public and private market investment functions is also expected to evolve. Many of the businesses developing the solutions required to address global sustainability challenges are in a nascent stage, while listed companies' adoption of these solutions will be important to their success. Mercer's reach across public and private market research and strategy allocations sees us well placed to more successfully strengthen the links. Mercer has established working groups across colleague groups to more effectively identify opportunities, ultimately benefiting our clients and helping advance more sustainable solutions.

We have recently completed a significant global technology review for the investment team, with implementation expected over the next two years. Sustainable investment requirements have been summarised and captured by the project team. These requirements are focused on improving analytics and reporting efficiencies to ensure team members are spending their time on value adding activities and our clients benefit from that value and effectively deliver on their own increasing reporting requirements for stakeholders.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Hooman Kaveh

Position

Global Chief Investment Officer

Organisation's Name

Mercer (Fund of Funds Manager)

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Mercer in the various modules of the Reporting Framework, which have been prepared and reviewed by other team members.

The Senior Leadership Statement is provided as a general introduction and overview to Mercer’s responsible or sustainable investment approach. The Senior Leadership Statement does not constitute advice, and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| OO 1 | CORE | N/A | N/A | PUBLIC | Reporting year | GENERAL |

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

| | Date | Month | Year |
|--|------|-------|------|
| Year-end date of the 12-month period for PRI reporting purposes: | 31 | 12 | 2022 |

SUBSIDIARY INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| OO 2 | CORE | N/A | OO 2.1 | PUBLIC | Subsidiary information | GENERAL |

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 4 | CORE | OO 3 | N/A | PUBLIC | All asset classes | GENERAL |

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 345,000,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------|---------------|
| OO 5 | CORE | OO 3 | Multiple indicators | PUBLIC | Asset breakdown | GENERAL |

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

| | (1) Percentage of Internally managed AUM | (2) Percentage of Externally managed AUM |
|-----------------------|--|--|
| (A) Listed equity | 0% | >10-50% |
| (B) Fixed income | 0% | >10-50% |
| (C) Private equity | 0% | >0-10% |
| (D) Real estate | 0% | >0-10% |
| (E) Infrastructure | 0% | >0-10% |
| (F) Hedge funds | 0% | >0-10% |
| (G) Forestry | 0% | 0% |
| (H) Farmland | 0% | 0% |
| (I) Other | 0% | 0% |
| (J) Off-balance sheet | 0% | 0% |

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| OO 5.1 | CORE | OO 5 | Multiple | PUBLIC | Asset breakdown: Externally managed assets | GENERAL |

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

| | (1) Listed equity | (2) Fixed income - SSA | (3) Fixed income - corporate | (4) Fixed income - securitised | (5) Fixed income - private debt |
|-------------|-------------------|------------------------|------------------------------|--------------------------------|---------------------------------|
| (A) Active | >10-50% | >10-50% | >10-50% | >0-10% | >0-10% |
| (B) Passive | >50-75% | >10-50% | >10-50% | | |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|-----------------|------------|--|---------------|
| OO 5.2 | CORE | OO 5, OO 5.1 | SAM 3, SAM 8 | PUBLIC | Asset breakdown: Externally managed assets | GENERAL |

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

| | (1) Segregated mandate(s) | (2) Pooled fund(s) or pooled investment(s) |
|-----------------------------|---------------------------|--|
| (A) Listed equity - active | >75% | >0-10% |
| (B) Listed equity - passive | >75% | >0-10% |
| (C) Fixed income - active | >75% | >10-50% |
| (D) Fixed income - passive | >75% | >10-50% |
| (E) Private equity | >10-50% | >75% |
| (F) Real estate | >10-50% | >50-75% |
| (G) Infrastructure | >10-50% | >75% |
| (H) Hedge funds | >10-50% | >50-75% |

MANAGEMENT BY PRI SIGNATORIES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| OO 6 | CORE | OO 5 | N/A | PUBLIC | Management by PRI signatories | GENERAL |

What percentage of your organisation's externally managed assets are managed by PRI signatories?

>75%

GEOGRAPHICAL BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|------------------------|---------------|
| OO 7 | CORE | Multiple, see guidance | N/A | PUBLIC | Geographical breakdown | GENERAL |

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

| | |
|---------------------------------|---------------|
| (A) Listed equity | (2) >0 to 10% |
| (B) Fixed income – SSA | (2) >0 to 10% |
| (C) Fixed income – corporate | (2) >0 to 10% |
| (D) Fixed income – securitised | (2) >0 to 10% |
| (E) Fixed income – private debt | (2) >0 to 10% |
| (F) Private equity | (2) >0 to 10% |
| (G) Real estate | (2) >0 to 10% |
| (H) Infrastructure | (2) >0 to 10% |
| (I) Hedge funds | (2) >0 to 10% |

STEWARDSHIP

STEWARDSHIP

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-------------|---------------|
| OO 8 | CORE | Multiple, see guidance | Multiple indicators | PUBLIC | Stewardship | GENERAL |

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

| | (1) Listed equity - active | (2) Listed equity - passive | (3) Fixed income - active | (4) Fixed income - passive |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Yes, through service providers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Yes, through external managers | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) We do not conduct stewardship | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | (5) Private equity | (6) Real estate | (7) Infrastructure | (8) Hedge funds |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| (A) Yes, through internal staff | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (B) Yes, through service providers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | | | |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (C) Yes, through external managers | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (D) We do not conduct stewardship | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| OO 9 HF | CORE | OO 5 | OO 9 | PUBLIC | Stewardship: (Proxy) voting | GENERAL |

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes
 (B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-----------------------------|---------------|
| OO 9 | CORE | Multiple, see guidance | Multiple indicators | PUBLIC | Stewardship: (Proxy) voting | GENERAL |

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

| | (1) Listed equity - active | (2) Listed equity - passive |
|--------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Yes, through service providers | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Yes, through external managers | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) We do not conduct (proxy) voting | <input type="checkbox"/> | <input type="checkbox"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--------------------------------|---------------|
| OO 9.1 | CORE | OO 9 | PGS 10.1, PGS 31 | PUBLIC | Stewardship: (Proxy) voting | GENERAL |

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active (11) >90 to <100%

(B) Listed equity - passive (11) >90 to <100%

STEWARDSHIP NOT CONDUCTED

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------|---------------|
| OO 10 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship not conducted | 2 |

Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.

Stewardship, excluding (proxy) voting
(H) Hedge funds

We are focused on asset classes where we have material, longer term exposure and the ability to influence change.

ESG INCORPORATION

EXTERNAL MANAGER SELECTION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| OO 12 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager selection | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

| | (1) Yes, we incorporate ESG factors when selecting external investment managers | (2) No, we do not incorporate ESG factors when selecting external investment managers |
|-----------------------------|---|---|
| (A) Listed equity - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (B) Listed equity - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (C) Fixed income - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (D) Fixed income - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (F) Real estate | <input checked="" type="radio"/> | <input type="radio"/> |
| (G) Infrastructure | <input checked="" type="radio"/> | <input type="radio"/> |
| (H) Hedge funds | <input checked="" type="radio"/> | <input type="radio"/> |

EXTERNAL MANAGER APPOINTMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------|---------------|
| OO 13 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager appointment | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

| | (1) Yes, we incorporate ESG factors when appointing external investment managers | (2) No, we do not incorporate ESG factors when appointing external investment managers |
|-----------------------------|--|--|
| (A) Listed equity - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (B) Listed equity - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (C) Fixed income - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (D) Fixed income - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (F) Real estate | <input checked="" type="radio"/> | <input type="radio"/> |
| (G) Infrastructure | <input checked="" type="radio"/> | <input type="radio"/> |
| (H) Hedge funds | <input checked="" type="radio"/> | <input type="radio"/> |

EXTERNAL MANAGER MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------------------|---------------|
| OO 14 | CORE | OO 5, OO 5.1 | Multiple indicators | PUBLIC | External manager monitoring | 1 |

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

| | (1) Yes, we incorporate ESG factors when monitoring external investment managers | (2) No, we do not incorporate ESG factors when monitoring external investment managers |
|-----------------------------|--|--|
| (A) Listed equity - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (B) Listed equity - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (C) Fixed income - active | <input checked="" type="radio"/> | <input type="radio"/> |
| (D) Fixed income - passive | <input checked="" type="radio"/> | <input type="radio"/> |
| (E) Private equity | <input checked="" type="radio"/> | <input type="radio"/> |
| (F) Real estate | <input checked="" type="radio"/> | <input type="radio"/> |
| (G) Infrastructure | <input checked="" type="radio"/> | <input type="radio"/> |
| (H) Hedge funds | <input checked="" type="radio"/> | <input type="radio"/> |

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18 | CORE | OO 11–14 | OO 18.1 | PUBLIC | Labelling and marketing | 1 |

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>10-50%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.1 | CORE | OO 18 | OO 18.2 | PUBLIC | Labelling and marketing | 1 |

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>0-10%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18.2 | CORE | OO 18.1 | N/A | PUBLIC | Labelling and marketing | 1 |

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact

- (I) EU Ecolabel
 - (J) EU Green Bond Standard
 - (K) Febelfin label (Belgium)
 - (L) Finansol
 - (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
 - (N) Greenfin label (France)
 - (O) Grüner Pfandbrief
 - (P) ICMA Green Bond Principles
 - (Q) ICMA Social Bonds Principles
 - (R) ICMA Sustainability Bonds Principles
 - (S) ICMA Sustainability-linked Bonds Principles
 - (T) Kein Verstoß gegen Atomwaffensperrvertrag
 - (U) Le label ISR (French government SRI label)
 - (V) Luxflag Climate Finance
 - (W) Luxflag Environment
 - (X) Luxflag ESG
 - (Y) Luxflag Green Bond
 - (Z) Luxflag Microfinance
 - (AA) Luxflag Sustainable Insurance Products
 - (AB) National stewardship code
 - (AC) Nordic Swan Ecolabel
 - (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
 - (AE) People's Bank of China green bond guidelines
 - (AF) RIAA (Australia)
 - (AG) Towards Sustainability label (Belgium)
 - (AH) Other
- Specify:

RIAA (New Zealand) - certification for the Mercer Kiwisaver range

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------------|---------------------|------------|-----------------------------------|---------------|
| OO 21 | CORE | Multiple indicators | Multiple indicators | PUBLIC | Summary of reporting requirements | GENERAL |

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

| Applicable modules | (1) Mandatory to report (pre-filled based on previous responses) | (2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module | (2.2) Voluntary to report. No, I want to opt-out of reporting on the module |
|--|--|---|---|
| Policy, Governance and Strategy | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Confidence Building Measures | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (T) External manager selection, appointment and monitoring (SAM) – listed equity - active | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (U) External manager selection, appointment and monitoring (SAM) – listed equity - passive | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (V) External manager selection, appointment and monitoring (SAM) – fixed income - active | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (W) External manager selection, appointment and monitoring (SAM) – fixed income - passive | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (X) External manager selection, appointment and monitoring (SAM) – private equity | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| (Y) External manager selection, appointment and monitoring (SAM) – real estate | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| (Z) External manager selection, appointment and monitoring (SAM) – infrastructure | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

(AA) External manager selection, appointment and monitoring (SAM)
– hedge funds

SUBMISSION INFORMATION

REPORT DISCLOSURE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 32 | CORE | OO 3, OO 31 | N/A | PUBLIC | Report disclosure | GENERAL |

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| PGS 1 | CORE | OO 8, OO 9 | Multiple indicators | PUBLIC | Responsible investment policy elements | 1, 2 |

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|--|---------------|
| PGS 2 | CORE | PGS 1 | Multiple, see guidance | PUBLIC | Responsible investment policy elements | 1 |

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Diversity

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 3 | CORE | PGS 1, PGS 2 | N/A | PUBLIC | Responsible investment policy elements | 6 |

Which elements of your formal responsible investment policy(ies) are publicly available?

- (A) Overall approach to responsible investment

Add link:

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

- (B) Guidelines on environmental factors

Add link:

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

- (C) Guidelines on social factors

Add link:

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

- (D) Guidelines on governance factors

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(E) Guidelines on sustainability outcomes

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(H) Specific guidelines on other systematic sustainability issues

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(I) Guidelines tailored to the specific asset class(es) we hold

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(J) Guidelines on exclusions

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(N) Stewardship: Guidelines on engagement with other key stakeholders

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 4 | PLUS | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 1 – 6 |

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

Mercer's global investment beliefs, referenced in regional policies, reflect the belief that integrating sustainability considerations into its investment approach is more likely to create and preserve long-term investment capital and, more specifically, that:

-Sustainability and ESG factors can have a material impact on long-term risk and return outcomes and should be integrated into the investment process;

-Climate change poses a systemic risk, and investors should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes.

-Stewardship helps the realisation of long-term shareholder value by providing investors with an opportunity to enhance the value of companies and markets.

-Taking a broader and longer-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities.

Consequently, Mercer believes that an approach that considers these risks and opportunities is in the best interests of our clients.

(B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 5 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship

(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa

(I) Other

(J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 6 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

(A) Yes, it includes voting principles and/or guidelines on specific environmental factors

(B) Yes, it includes voting principles and/or guidelines on specific social factors

(C) Yes, it includes voting principles and/or guidelines on specific governance factors

(D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 7 | CORE | OO 9 | N/A | PUBLIC | Responsible investment policy elements | 2 |

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

(A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://investment-solutions.mercer.com/content/dam/mercercor/subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf>

<https://www.multimanager.mercer.com.au/funds/sustainable-investment.html>

https://secure.superfacts.com/web/IWfiles/attachments/Form/Mercer_Funds_Sustainable_Investment_Policy.pdf

(B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available

(C) We rely on the policy of our external service provider(s)

(D) We do not have a policy to address (proxy) voting in our securities lending programme

(E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 8 | CORE | PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 1 |

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(6) >90% to <100%

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 9 | CORE | PGS 2 | N/A | PUBLIC | Responsible investment policy coverage | 1 |

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|--|---------------|
| PGS 10 | CORE | OO 8, OO 9, PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 2 |

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------|------------|------------|--|---------------|
| PGS 10.1 | CORE | OO 9.1, PGS 1 | N/A | PUBLIC | Responsible investment policy coverage | 2 |

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Passively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%

- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| PGS 11 | CORE | N/A | Multiple indicators | PUBLIC | Roles and responsibilities | 1 |

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

CIOs, Global Head of Research

- (C) Investment committee, or equivalent

Specify:

Regional investment committees review many responsible investment aspects before new decisions are taken to the regional Boards. The Global OCIO SI Forum also helps to achieve a coordinated approach to integration globally between the SI consulting team and the Mercer Funds SI teams. Outcomes are reported to the global CIO meeting each quarter together with any decisions requiring approval.

- (D) Head of department, or equivalent

Specify department:

Regional Heads of the Wealth business in regions where sustainable investing is most active

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|----------------------|------------|------------|----------------------------|---------------|
| PGS 11.1 | CORE | PGS 1, PGS 2, PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1, 2 |

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(1) Board members, trustees, or equivalent

(2) Senior executive-level staff, investment committee, head of department, or equivalent

| | | |
|---|-------------------------------------|-------------------------------------|
| (A) Overall approach to responsible investment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Guidelines on environmental, social and/or governance factors | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Guidelines on sustainability outcomes | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) Specific guidelines on climate change (may be part of guidelines on environmental factors) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Specific guidelines on human rights (may be part of guidelines on social factors) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (F) Specific guidelines on other systematic sustainability issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (G) Guidelines tailored to the specific asset class(es) we hold | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (H) Guidelines on exclusions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (L) Stewardship: Guidelines on engagement with other key stakeholders | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (M) Stewardship: Guidelines on (proxy) voting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies) | <input type="checkbox"/> | <input type="checkbox"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 11.2 | CORE | N/A | N/A | PUBLIC | Roles and responsibilities | 1 – 6 |

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

● (A) Yes

Describe how you do this:

Mercer has well established positions on sustainable finance and our support for the PRI.

Our parent company, Marsh McLennan, has also become increasingly consistent with the Mercer view across the broader organisation, as demonstrated in the most recent 2022 ESG report called 'Succeeding Together'. These public views together with our culture and governance processes, as documented and underpinned by The Greater Good (which can be thought of as our global code of conduct), seek to ensure consistency in any political positions Mercer and Marsh McLennan may seek to influence. Marsh McLennan views engagement in the legislative process as part of responsible corporate citizenship.

Our Government Relations team represents our public policy priorities by strategically engaging policymakers and external stakeholders to help shape positive outcomes for the company and its clients.

This includes sharing thought leadership with policymakers, providing expert witness testimony and engaging with trade associations and coalitions to amplify our messaging.

Marsh McLennan Political Engagement in 2022: In 2022, we continued to strengthen our government relations work to lead the way on climate resilience, public sector and disaster preparedness.

The following are some of our most relevant actions:

- The Global Risks Report 2022, published by the World Economic Forum in collaboration with Marsh McLennan, examines how global divergence across multiple domains in the post-COVID-19 recovery threatens to widen disparities and aggravate societal fractures.
- Asking the right questions about war exclusions in the context of cyber operations: In the last several years, reinsurance and insurance markets have grappled with the meaning of the war exclusion in the context of cyberattacks (or more broadly, “cyber operations”). The ongoing Russian invasion of Ukraine, including cyber operations that crashed websites of Ukraine’s defense ministry and two large Ukrainian banks, underscores the need for contract certainty regarding coverage for state-sponsored cyber operations. Yet, legal guidance on the application of the war exclusion to cyber operations remains elusive.
- Marsh McLennan discloses its lobbying activities and the resources it spends advocating for clients, colleagues and our businesses.
- Engaged the European Commission and Members of the European Parliament in support of the proposed Pay Transparency Directive that seeks to increase transparency around the gender pay gap.
- Organized an opportunity for a NY congressman to meet with leaders in NYC to discuss our diversity, equity and inclusion initiatives.

- Met with leading employee benefit trade associations to discuss legislative priorities around expanding consumer choice for healthcare and retirement benefits.
- Former President and CEO Dan Glaser led an in-person meeting with the US Treasury's Federal Advisory Committee on Insurance (FACI) to discuss the benefits of community-based catastrophe insurance. To fully leverage this product, Washington is leading the development of a Community-Based Catastrophe Insurance (CBCI) Coalition to remove legislative and regulatory roadblocks. The coalition will consist of carriers, policyholders, modelers and other stakeholders who stand to gain from pre-disaster preparedness.
- Prompted a meeting with the Biden Administration National Security Council on long-term disaster recovery strategies. The meeting highlighted the value of Community-Based Catastrophe Insurance in supporting effective mitigation and recovery principles for all consumers, including state and local municipalities.
- Engaged the US Treasury and the US Federal Insurance Office regarding the (re)insurance market in Ukraine and how to support Ukrainian grain exports and global food security.
- Joined a group of climate experts to advise the EU Commission's newly launched Climate Resilience Dialogue. The group will provide the EU Commission with expert views on climate adaptation policies. The Dialogue held its inaugural meeting in November 2022 and is set to issue a report in 2024.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 12 | CORE | N/A | N/A | PUBLIC | Roles and responsibilities | 1 |

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

Global and Regional CIOs are accountable for ensuring our SI approach is implemented. Each region has its own structures and roles for those responsible for this implementation, variously including Head of Sustainable Investment and Sustainable Investment Manager, Analyst and Consultant roles, and in some regions more focussed roles on areas such as stewardship.

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

Mercer appoints and relies on specialist third party investment managers to invest on our behalf. Mercer expects its appointed managers to assess and reflect ESG risks and opportunities when they select securities or construct portfolios, acknowledging that the degree of relevance or materiality varies across asset classes and the type of investment strategy. Mercer also expects appointed managers to seek to align with Mercer's sustainable investment policies and any associated guidance.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 13 | CORE | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 14 | CORE | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation
- (2) KPIs are not linked to compensation as these roles do not have variable compensation

- (3) KPIs are not linked to compensation even though these roles have variable compensation**

Describe: (Voluntary)

The emphasis and formality varies by region, however, Mercer has aimed to integrate responsible investment objectives into a wide range of roles through two key expectations:

- Understand and promote Mercer's sustainable investment beliefs and implement the key principles embedded in Mercer's policies on sustainable investment.
- Support the business in undertaking its activities in a responsible manner through including sustainability considerations in your role and decision making.

It is then the expectation that each team member will be able to evidence examples commensurate with their role as part of the review process with their manager across roles spanning from investment management to portfolio intelligence analytics and client management. This approach ensures that the expectations are spread across all roles, not just a few key people. For investment team members, and particularly portfolio managers and Chief Investment Officers, this becomes quite specific re improvements in ESG ratings by asset class, for example. Evidence that actively supports these KPIs will then form one part of the rating assigned to team members that then determines their remuneration. There isn't a fixed weight to specific responsible investment requirements, however, Mercer has adopted remuneration policies that are consistent with the aim of recognising sustainability risks in Mercer's activities. Furthermore, given European regulatory requirements, in that region Mercer's approach to the assessment of principal adverse impacts of investment decisions on sustainability factors is documented and publicly available.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 15 | PLUS | PGS 11 | N/A | PUBLIC | Roles and responsibilities | 1 |

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

| | (1) Board members, trustees or equivalent | (2) Senior executive-level staff, investment committee, head of department or equivalent |
|--|---|--|
| (A) Specific competence in climate change mitigation and adaptation | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Specific competence in investors' responsibility to respect human rights | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) Specific competence in other systematic sustainability issues | <input type="checkbox"/> | <input type="checkbox"/> |

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies



EXTERNAL REPORTING AND DISCLOSURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 16 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 17 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above
- Add link(s):

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>
https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 18 | PLUS | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://investment-solutions.mercer.com/europe/ie/en/our-funds/responsible-investment.html>

(B) Disclosures against the European Union's Taxonomy

(C) Disclosures against the CFA's ESG Disclosures Standard

(D) Disclosures against other international standards, frameworks or regulations

Specify:

European Union's Shareholder Rights Directive II

Link to example of public disclosures

<https://investment-solutions.mercer.com/europe/ie/en/our-funds/responsible-investment.html>

(E) Disclosures against other international standards, frameworks or regulations

Specify:

Financial Reporting Council's UK Stewardship Code

Link to example of public disclosures

https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/responsible-investment/Mercer_ISE_UK_Stewardship_Code_Report.pdf

(F) Disclosures against other international standards, frameworks or regulations

Specify:

Task Force on Climate-Related Financial Disclosures' Status Report

Link to example of public disclosures

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

(G) Disclosures against other international standards, frameworks or regulations

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 19 | CORE | N/A | N/A | PUBLIC | External reporting and disclosures | 6 |

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.marshmcclennan.com/content/dam/mmc-web/v3/esg-report-2022/Marsh-McLennan-2022-ESG-Report.pdf>

(B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 20 | CORE | N/A | N/A | PUBLIC | Capital allocation | 1 |

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments

(E) Other elements

Specify:

Mercer does not have organisation-level exclusions across all funds. There are, however, some regional exclusions in Europe and the Pacific – some of which are across multiple funds and there are other sustainability-labelled funds with other specific exclusions (see the relevant disclosure documents in the region for details).

As an overarching principle, Mercer is committed to investing responsibly and prefers an integration and engagement-based approach. There are, however, limited instances in which exclusions may be considered necessary. Exclusions should be a last resort and reasons to exclude certain securities are likely to be a combination of factors that make continuing to include exposure to the securities in the investment universe untenable. These factors include, but are not limited to, investment beliefs, risk management, expected social impact, public policy, societal norms, investor expectations, efficacy of other responsible investment approaches such as engagement, ability to influence, and expected impact on portfolio returns. When considering exclusions, Mercer has developed a framework where multiple risk, return and reputation criteria are considered.

- (F) Not applicable; our organisation does not have any organisation-level exclusions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 21 | CORE | N/A | N/A | PUBLIC | Capital allocation | 1 |

How does your responsible investment approach influence your strategic asset allocation process?

(A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns

(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

○ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns

○ (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 22 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

| | (1) Listed equity | (2) Fixed income | (3) Private equity | (4) Real estate | (5) Infrastructure |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| (A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues. | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| (B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 24 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 24.1 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

Mercer believes its appointed investment managers are typically best placed to prioritise particular engagement topics by company on material ESG issues, with the aim of improving long-term risk adjusted returns and the stability of financial markets. However, Mercer as fiduciary also has a role to play in relation to more strategic or systemic themes and topics. We appreciate that systemic risks cannot be solved individually and require collaboration, and the growing number of issues reinforces the benefit of pooling resources. This pooling benefit applies to Mercer and many of the investment managers we appoint. We use a proprietary framework to consider and select collaborative engagements. This considers, amongst other factors, whether the topic is an engagement priority (i.e. alignment with our research and beliefs on systemic risks in particular, member/investor best interest, materiality etc) and if we determine there is an ability to influence and support change alongside the broader industry. In a similar fashion, we monitor our ongoing involvement in each initiative to ensure our continuing involvement is meeting the intended outcomes and delivering appropriate value. We particularly value those collaborative engagement initiatives where they are helping develop approaches to new issues, provide an investment industry voice to governments, and those where company engagement has high crossover with our significant holdings.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|-------------------|------------|------------|---|---------------|
| PGS 26 | PLUS | OO 8, OO 9, PGS 1 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?

(A) Example(s) of measures taken when selecting external service providers:

Stewardship is one of the key factors considered in Mercer's ESG ratings which assess the extent to which ESG factors are incorporated in a strategy's investment process. We consider these ESG ratings when selecting managers and monitoring the rating on an on-going basis for appointed managers to assess progress and compare their strategy to others in the universe.

(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

Our annual survey is a key input in assessing managers' stewardship approaches, along with insights shared by managers through their regular reporting and in our engagements with them. The survey seeks to gather data and build our understanding on how managers are voting and engaging with investees and clear examples of outcomes from stewardship efforts.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 27 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Overall stewardship strategy | 2 |

How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?

Mercer’s global focus over 2021-2022 has been to strengthen the annual manager engagement survey and better integrate these results and insights into the investment team activities to enable more robust integration of ESG considerations into manager assessment and monitoring. We have included two regional examples below that also reflect the specific focus areas driven by regional requirements.

In Europe, the Annual Stewardship Policy Review and Annual Voting and Engagement Review examines appointed investment manager approaches to the principles of the UK Stewardship Code and vote execution, rationale behind voting decisions and engagements. A heat map summarises Mercer’s qualitative assessment of the voting and engagement activity of each manager for each equity fund, which is communicated to clients and the investment team. The portfolio management team utilise this in their manager monitoring and engagement processes, together with results from the annual manager engagement survey.

In Australia, the SI IM team run an active engagement program that focuses on Top 20 Australian equity holdings, given the material exposure to these holdings in a concentrated number of sectors. The results of these engagements plays a role in meetings with the investment team and appointed investment managers , along with vote reporting and results from the annual manager engagement survey.

STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 29 | CORE | OO 9, PGS 1 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation’s (proxy) voting policy?

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- (D) We do not review external service providers’ voting recommendations
- (E) **Not applicable; we do not use external service providers to give voting recommendations**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 30 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

(C) Other

Specify:

There are different approaches to this in each region. Some regions don't have a recall policy. Others will only lend a maximum of 90% of the value of our holdings in any company in order to continue to vote across the majority of resolutions. In other regions, for any identified material portfolio holdings requiring a super vote, we work with our securities lending agent to endeavour to recall the shares on loan. And finally we also have a region where a Securities Lending Program managed and implemented by an external Securities Lending Agent (SLA). The SLA has established processes to recall shares on loan for voting purposes ahead of an AGM and we expect that this will not affect our objective to vote on all shares.

- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 31 | CORE | OO 9.1 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 32 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) **Not applicable; we did not cast any (proxy) votes during the reporting year**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33 | CORE | OO 9 | PGS 33.1 | PUBLIC | Stewardship: (Proxy) voting | 2 |

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) **Yes, for all (proxy) votes**

Add link(s):

<https://viewpoint.glasslewis.com/WD/?siteId=Mercer>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 33.1 | CORE | PGS 33 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) **Within six months of the AGM/EGM**
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 34 | CORE | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

| | (1) In cases where we abstained or voted against management recommendations | (2) In cases where we voted against an ESG-related shareholder resolution |
|--|---|---|
| (A) Yes, we publicly disclosed the rationale | (3) for a minority of votes | (3) for a minority of votes |
| (B) Yes, we privately communicated the rationale to the company | | |
| (C) We did not publicly or privately communicate the rationale, or we did not track this information | ○ | ○ |
| (D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year | ○ | ○ |

(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://investment-solutions.mercer.com/content/dam/mercero-solutions/delegated-solutions/responsible-investment/Mercer%20IS%20Stewardship%20Report.pdf>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| PGS 35 | PLUS | OO 9 | N/A | PUBLIC | Stewardship: (Proxy) voting | 2 |

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

Proxy voting is typically carried out by the external investment managers appointed by Mercer, noting their voting capabilities are evaluated as part of the manager selection and appointment process. Our manager voting oversight varies by region. However, in all regions Mercer uses a third-party proxy advisor to provide aggregated voting disclosure on a web page. As part of the oversight process, the provider undertakes a review before votes are published.

In regions with the highest stewardship expectations, there are also periodic reviews to assess the data provided, considering post-vote reports to ensure managers' voting activity is correctly aligned to the respective Mercer Funds. Other monitoring in that region t captures various elements across the voting chain. For example, managers are required to complete a quarterly due-diligence questionnaire, in which they must disclose cases where: 1) they voted where a conflict of interest was present, 2) they did not receive proxy voting ballots (where one was expected), 3) they did not vote where a proxy was received (of which they were eligible to vote on), 4) they voted a proxy NOT in accordance with the voting policy in place. More generally, managers are also asked to confirm how they use proxy advisors and describe how they determine that the voting determinations are in the funds/accounts best interest where the proxy advisor is used for automated voting services.

STEWARDSHIP: ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 36 | CORE | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Escalation | 2 |

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

| | |
|--|-------------------------------------|
| (A) Joining or broadening an existing collaborative engagement or creating a new one | <input checked="" type="checkbox"/> |
| (B) Filing, co-filing, and/or submitting a shareholder resolution or proposal | <input checked="" type="checkbox"/> |
| (C) Publicly engaging the entity, e.g. signing an open letter | <input checked="" type="checkbox"/> |
| (D) Voting against the re-election of one or more board directors | <input type="checkbox"/> |

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|-------------------------|---------------|
| PGS 37 | CORE | Multiple, see guidance | N/A | PUBLIC | Stewardship: Escalation | 2 |

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--|---------------|
| PGS 39 | CORE | OO 8, OO 9 | PGS 39.1, PGS 39.2 | PUBLIC | Stewardship: Engagement with policy makers | 2 |

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.1 | CORE | PGS 39 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters**
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups**

Describe:

Via our annual manager engagement survey, we collected evidence of many of our external investment managers' engagement activities with policy makers, including technical input via working groups, particularly on the fixed income side

- (D) We engaged policy makers on our own initiative**

Describe:

Via our annual manager engagement survey, we collected evidence of many of our external investment managers' engagement activities with policy makers, including engaging policy makers on their own initiative, particularly on the fixed income side.

- (E) Other methods

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.2 | CORE | PGS 39 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://theinvestoragenda.org/wp-content/uploads/2022/08/2022-Global-Investor-Statement-.pdf>
<https://investment-solutions.mercer.com/europe/ie/en/our-funds/responsible-investment.html>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------------|---------------|
| PGS 40 | PLUS | OO 8, OO 9 | N/A | PUBLIC | Stewardship: Examples | 2 |

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Voting, gender diversity

(1) Led by

- (1) Internally led
- (2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

- Voted Against Director Harvey Jones.
- Seeking the company to have at least 25% women on the Board with expectation of a minimum of 30% of women on the Board by 2023

(B) Example 2:

Title of stewardship activity:

Carbon emissions targets

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) **Led by an external investment manager, real assets third-party operator and/or external property manager**

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement on overall carbon emission targets and process to a net zero by 2040 targets including carbon capture.

(C) Example 3:

Title of stewardship activity:

Voted an abstention due to opportunity for improved disclosure

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) **Led by an external investment manager, real assets third-party operator and/or external property manager**

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Voted Against emission abatement strategy and challenged company ambition on its strategy.

(D) Example 4:

Title of stewardship activity:

emission abatement

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Voted Against emission abatement strategy and challenged company ambition on its strategy.

(E) Example 5:

Title of stewardship activity:

lack of a net zero target

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Voted Against a company Climate Report as it lacked a net zero target and the uncertainty of a given pathway.

CLIMATE CHANGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41 | CORE | N/A | PGS 41.1 | PUBLIC | Climate change | General |

Has your organisation identified climate-related risks and opportunities affecting your investments?

- (A) Yes, within our standard planning horizon
- (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Whilst every investor has their own particular timeframe, the selected scenario modelling illustrates potential impacts over a 40-year period, with shorter periods also able to be isolated e.g. 5 and 20 years. The modelling is expected to be most beneficial when reflecting investor relevant time periods and the longer outlook important to considering climate change implications.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41.1 | CORE | PGS 41 | N/A | PUBLIC | Climate change | General |

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As an institutional investor with a stake in the wider economy, Mercer believes that climate change poses a systemic risk, and investors should consider the potential financial impacts of both the associated transition to net zero and the physical impacts of different climate outcomes. This belief informs our strategic response.

Where Mercer is acting as the trustee, responsible entity, or equivalent role making an investment decision on behalf of our investors and members, understanding and assessing the impacts of climate change on our investment portfolios, and how these may emerge over the investment horizon, is critical in determining how climate-related impacts may be addressed in our investment strategies. Mercer addresses this through a top-down and bottom-up approach as follows:

- top-down: primarily informed by climate scenario analysis; and
- bottom-up approach: primarily informed by transition assessment tool (analysis for climate transition, ACT) and various other climate metrics including physical risks assessment.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 42 | PLUS | N/A | N/A | PUBLIC | Climate change | General |

Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 43 | CORE | N/A | N/A | PUBLIC | Climate change | General |

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**

Specify:

Custom scenarios through our partner Ortec Finance, founded in IEA and NGFS scenarios leveraging the Cambridge Econometrics Integrated Assessment Model, with additional market pricing considerations built in. There's a Rapid (Disorderly) transition to 1.5d, an Orderly transition to 2d, and a Failed transition scenario.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 44 | CORE | N/A | N/A | PUBLIC | Climate change | General |

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

There are variations in detail and metrics requirements by region, however, we generally conduct at least 6 monthly holdings level analysis for various climate risk and opportunity assessments. This typically involves, absolute emissions and carbon intensity metrics (i.e. WACI), proprietary Analytics for Climate Transition (ACT) results, fossil fuel producer and reserves monitoring, physical risks assessments, contributors to climate solutions and more.

We also conduct climate scenario analysis at least every 3 years.

(2) Describe how this process is integrated into your overall risk management

This varies by region but may involve strategic asset allocation decision-making and most likely be applied to inform manager monitoring engagement and future selection decisions. The volume of data is increasingly being packaged and delivered in ways that make the insights more accessible for the investment teams as part of their Business as Usual (BAU) processes.

- (B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Mercer's response to identified climate-related risks is largely focused on integration, stewardship, and solutions allocations rather than exclusion. More detail is provided in the Europe and Pacific TCFD reports. But in summary the company specific decisions are made by the appointed investment managers and therefore our understanding of the portfolios and engagement with those managers, together with collaborative initiative participation are important elements of the risk management process.

- Engagement via appointed investment managers has to date covered high level expectations on risk and opportunities and manager approaches and practices, but increasingly is expected to hone in on specific sectors or companies considered to be higher risk.

- Collaborative engagement may be company focussed, such as CA100+, but is typically building the next phases in industry approaches, together with engagement with policy makers and regulators (e.g. IGCC, IIGCC, AIGCC).

(2) Describe how this process is integrated into your overall risk management

This varies by region but may involve strategic asset allocation decision-making and most likely be applied to inform manager monitoring engagement and future selection decisions. The volume of data is increasingly being packaged and delivered in ways that make the insights more accessible for the investment teams as part of their BAU processes.

- o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 45 | CORE | N/A | N/A | PUBLIC | Climate change | General |

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

- (A) Exposure to physical risk
- (B) Exposure to transition risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - o (1) Metric or variable used
 - o (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

- (C) Internal carbon price
- (D) Total carbon emissions**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - o (1) Metric or variable used
 - o (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

- (E) Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

Specify:

Climate Value at Risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://investment-solutions.mercer.com/content/dam/mercero-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>

○ (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 46 | CORE | N/A | N/A | PUBLIC | Climate change | General |

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>
https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf>
https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(C) Scope 3 emissions (including financed emissions)

o (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-------------------------|---------------|
| PGS 47 | CORE | N/A | Multiple indicators | PUBLIC | Sustainability outcomes | 1, 2 |

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.1 | CORE | PGS 47 | N/A | PUBLIC | Sustainability outcomes | 1, 2 |

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
Specify:
United Nations Global Compact Principles, monitoring (and prioritised manager engagement) based on the most severe negative outcomes, framed through UNGC Framework
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 47.2 | CORE | PGS 47 | PGS 48 | PUBLIC | Sustainability outcomes | 1, 2 |

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|----------------|------------|-------------------------|---------------|
| PGS 48 | CORE | PGS 47.2 | PGS 48.1, SO 1 | PUBLIC | Sustainability outcomes | 1, 2 |

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 48.1 | PLUS | PGS 48 | N/A | PUBLIC | Sustainability outcomes | 1, 2 |

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries

(D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes

- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49 | PLUS | PGS 47 | PGS 49.1 | PUBLIC | Human rights | 1, 2 |

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

This was a combination of the annual manager engagement survey and regional assessments of public market funds for red flagged violations of the UNGC Principles leveraging a third party data provider.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
 - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49.1 | PLUS | PGS 49 | N/A | PUBLIC | Human rights | 1, 2 |

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Workers

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate
- (C) Customers and end-users
- (D) Other stakeholder groups

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 49.2 | PLUS | PGS 47 | N/A | PUBLIC | Human rights | 1, 2 |

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

Via third party data providers

(B) Media reports

Provide further detail on how your organisation used these information sources:

Via third party data providers

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

Via third party data providers

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

(E) Data provider scores or benchmarks

(F) Human rights violation alerts

Provide further detail on how your organisation used these information sources:

UNGC Principles red flagged violations via third party data providers

(G) Sell-side research

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

RIAA Human Rights working group and toolkit for investors, particularly in relation to modern slavery in Australia

(I) Information provided directly by affected stakeholders or their representatives

(J) Social media analysis

(K) Other

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| PGS 50 | PLUS | PGS 47 | N/A | PUBLIC | Human rights | 1, 2 |

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

We cannot say specifically that we have enabled access to remedy directly, even where we have aimed to ensure appointed investment managers have engaged with companies where red flags have been identified in order to achieve remedy where possible.

MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

OVERALL APPROACH

EXTERNAL INVESTMENT MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------|---------------|
| SAM 1 | CORE | OO 21 | N/A | PUBLIC | External investment managers | 4 |

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Organisation | | | | |
| (A) Commitment to and experience in responsible investment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Responsible investment policy(ies) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Governance structure and senior-level oversight and accountability | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| People and Culture | | | | |
| (D) Adequate resourcing and incentives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Staff competencies and experience in responsible investment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Investment Process | | | | |
| (F) Incorporation of material ESG factors in the investment process | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (G) Incorporation of risks connected to systematic sustainability issues in the investment process | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Stewardship | | | | |
| (I) Policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (J) Policy(ies) or guidelines on (proxy) voting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (K) Use of stewardship tools and activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (L) Incorporation of risks connected to systematic sustainability issues in stewardship practices | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (M) Involvement in collaborative engagement and stewardship initiatives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (N) Engagement with policy makers and other non-investee stakeholders | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (O) Results of stewardship activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Performance and Reporting | | | | |
| (P) ESG disclosure in regular client reporting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (Q) Inclusion of ESG factors in contractual agreements | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

(5) Private equity**(6) Real estate****(7) Infrastructure****(8) Hedge funds****Organisation**

(A) Commitment to and experience in responsible investment



(B) Responsible investment policy(ies)



(C) Governance structure and senior-level oversight and accountability

**People and Culture**

(D) Adequate resourcing and incentives



(E) Staff competencies and experience in responsible investment

**Investment Process**

(F) Incorporation of material ESG factors in the investment process



(G) Incorporation of risks connected to systematic sustainability issues in the investment process



(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment



Stewardship

| | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| (I) Policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (J) Policy(ies) or guidelines on (proxy) voting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (K) Use of stewardship tools and activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (L) Incorporation of risks connected to systematic sustainability issues in stewardship practices | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (M) Involvement in collaborative engagement and stewardship initiatives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (N) Engagement with policy makers and other non-investee stakeholders | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (O) Results of stewardship activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Performance and Reporting | | | | |
| (P) ESG disclosure in regular client reporting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (Q) Inclusion of ESG factors in contractual agreements | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

SERVICE PROVIDERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| SAM 2 | CORE | OO 21 | N/A | PUBLIC | Service providers | 4 |

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

POOLED FUNDS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------|------------|------------|--------------|---------------|
| SAM 3 | PLUS | OO 5.2, OO 21 | N/A | PUBLIC | Pooled funds | 4 |

If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.

Provide example(s) below

| | |
|-----------------|---|
| (A) Selection | <p>As part of the investment manager selection process Mercer's investment teams utilise Mercer's ESG ratings together with their own research to carefully evaluate each manager's capability in ESG integration, stewardship activities and overall Responsible Investment approach, to ensure it is representing Mercer's commitment to good governance, sustainable investment and long-term value creation. Mercer's global manager research team commenced ESG research in 2008 at a manager level and in 2010 began ratings at a strategy level. Since that time, ESG factors have become integrated into our standard manager research process for all asset classes, with a rating specific to ESG integration process capabilities on an ESG1-4 basis (ESG1 are leaders). This rating reflects the due diligence conducted in desk-based research and in meetings with the sub-investment managers to test their process for identifying and understanding potentially material risks and opportunities relevant to their portfolio. These ratings also capture stewardship, particularly for listed and passive equities, given the opportunity this presents to enhance the value of companies and markets. Where applicable, Mercer's portfolio managers, in their own selection and recommendation process, will seek examples on voting and engagement and expectations will be included within Investment Management Agreements. On selection and appointment, managers will also receive a copy of the policy.</p> |
| (B) Appointment | <p>The constraints and sustainable investing criteria applied across our portfolios varies as applicable to individual fund commitments and asset classes. When underlying pooled funds are selected for inclusion in Mercer Funds, the relevant investment managers' practices and holdings will be assessed to ensure alignment with Mercer's broad sustainable investment expectations and any fund specific sustainability characteristics. Where practicable, Mercer has set an expectation of a minimum ESG3 rating for underlying pooled fund inclusion in the Mercer Funds</p> |
| (C) Monitoring | <p>Monitoring is undertaken by the manager research team for any required changes to appointed strategies' Mercer ESG Ratings. Monitoring by the investment teams may vary based on region and asset class, however, one globally consistent approach is Mercer's annual manager engagement survey on stewardship and ESG matters, the results of which are used in targeted manager engagement. This includes reviewing collaborative initiative participation, voting and engagement approaches on priority engagement topics for Mercer, and engagement tracking on UN Global Compact red flags</p> |

SELECTION

RESPONSIBLE INVESTMENT PRACTICES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------------|---------------|
| SAM 4 | CORE | OO 12, OO 21 | SAM 5, SAM 6, SAM 7 | PUBLIC | Responsible investment practices | General |

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 5 | CORE | SAM 4 | N/A | PUBLIC | Responsible investment practices | 4 |

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

Organisation

- (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)
 - Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)
 - Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

Performance and Reporting

(I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(J) Inclusion of ESG factors in contractual agreements

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

STEWARDSHIP

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 6 | CORE | OO 8, SAM 4 | N/A | PUBLIC | Stewardship | 4 |

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (C) Their participation in collaborative engagements and stewardship initiatives**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (E) Details of their engagement activities with policy makers**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (F) Their escalation process and the escalation tools included in their policy on stewardship**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 7 | CORE | OO 9, SAM 4 | N/A | PUBLIC | Stewardship | 4 |

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate**
 Select from dropdown list
 - (1) for all of our mandates**
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (B) Historical information on the number or percentage of general meetings at which they voted**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates**
- (C) Analysis of votes cast for and against**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates**
- (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (E) Details of their position on any controversial and high-profile votes**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates**
 - (3) for a minority of our mandates
- (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest**
 Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates**

- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

APPOINTMENT

SEGREGATED MANDATES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|---------------|------------|------------|---------------------|---------------|
| SAM 8 | CORE | OO 5.2, OO 13 | N/A | PUBLIC | Segregated mandates | 4 |

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (B) Their commitment to incorporating material ESG factors into their investment activities**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (F) Exclusion list(s) or criteria**
Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates
 - (3) for a minority of our segregated mandates**
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results**

- Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (H) Incentives and controls to ensure alignment of interests**
 - Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD**
 - Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**
 - Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates
 - (3) for a minority of our segregated mandates**
- (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments**
 - Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates**
 - (3) for a minority of our segregated mandates
- (L) Other
 - (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

MONITORING

RESPONSIBLE INVESTMENT PRACTICES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 9 | CORE | OO 14, OO 21 | N/A | PUBLIC | Responsible investment practices | 4 |

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Organisation | | | | |
| (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| People and Culture | | | | |
| (D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Investment Process | | | | |

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)



(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)



(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

**People and Culture**

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)



(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)



Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)



(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)



(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)



Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)



(J) Inclusion of ESG factors in contractual agreements



(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year



| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 10 | PLUS | OO 14, OO 21 | N/A | PUBLIC | Responsible investment practices | 1 |

During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?

| | (1) Listed equity (passive) | (2) Fixed income (passive) |
|---|-------------------------------------|-------------------------------------|
| (A) How the external investment managers applied, reviewed and verified screening criteria | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) Other | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) We did not monitor ESG passive products and strategies | <input type="radio"/> | <input type="radio"/> |
| (F) Not applicable; we do not invest in ESG passive products and strategies | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 11 | PLUS | OO 14, OO 21 | N/A | PUBLIC | Responsible investment practices | 1 |

Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.

Mercer conducts an annual manager engagement survey capturing appointed investment managers' activities across equity, fixed income and alternatives, on priority themes and topics as part of stewardship activities. As an example from Europe, the information collected from this survey feeds into 4 newly developed Manager Engagement Dashboards which inform engagements between Mercer's investment team and appointed investment managers to promote good stewardship of investments. These dashboards equip our investment management team with the ability to more easily identify key areas to focus on during their discussions with managers throughout the year. We have also developed Manager Engagement Trackers which our portfolio management team update to enable communication to wider stakeholders on the engagement activities being undertaken.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 12 | CORE | OO 14, OO 21 | N/A | PUBLIC | Responsible investment practices | 1 |

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) At least annually | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Less than once a year | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) On an ad hoc basis | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| | (5) Private equity | (6) Real estate | (7) Infrastructure | (8) Hedge funds |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) At least annually | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) Less than once a year | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) On an ad hoc basis | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

STEWARDSHIP

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 13 | CORE | OO 8, OO 21 | N/A | PUBLIC | Stewardship | 1, 2 |

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Any changes in their policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) The degree of implementation of their policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) How they prioritise material ESG factors | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) How they prioritise risks connected to systematic sustainability issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Their investment team's level of involvement in stewardship activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (F) Whether the results of stewardship actions were fed back into the investment process and decisions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (I) Whether they participated in collaborative engagements and stewardship initiatives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (J) Whether they had an active role in collaborative engagements and stewardship initiatives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (K) Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (L) We did not monitor our external investment managers' stewardship practices during the reporting year | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | (5) Private equity | (6) Real estate | (7) Infrastructure |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Any changes in their policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) The degree of implementation of their policy(ies) or guidelines on stewardship | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) How they prioritise material ESG factors | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) How they prioritise risks connected to systematic sustainability issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| (E) Their investment team's level of involvement in stewardship activities | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (F) Whether the results of stewardship actions were fed back into the investment process and decisions | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (I) Whether they participated in collaborative engagements and stewardship initiatives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (J) Whether they had an active role in collaborative engagements and stewardship initiatives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (K) Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (L) We did not monitor our external investment managers' stewardship practices during the reporting year | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 14 | CORE | OO 9, OO 21 | N/A | PUBLIC | Stewardship | 1, 2 |

For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

(1) Listed equity (active)**(2) Listed equity (passive)**

| | | |
|---|-------------------------------------|-------------------------------------|
| (A) Any changes in their policy(ies) or guidelines on (proxy) voting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable) | <input type="checkbox"/> | <input type="checkbox"/> |
| (F) Other | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year | <input type="radio"/> | <input type="radio"/> |

ENGAGEMENT AND ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------|---------------|
| SAM 15 | PLUS | OO 14, OO 21 | N/A | PUBLIC | Engagement and escalation | 4 |

Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.

Two regional examples below reflect the specific focus areas driven by regional requirements:

In Europe, we started a project to develop our multi-client solutions that further promotes environmental and social characteristics under SFDR Article 8 disclosure requirements. As part of this project, we identified higher-emitting systematic fund managers for engagement to encourage the development of climate risk integration within their investment decision-making processes. We also identified a manager candidate for engagement following the results of our global annual manager engagement survey, which indicated room for improvement in their stewardship approach. In conjunction with our research from MercerInsight™, we arranged a session between our PM/ESG teams and the manager as well as met with other systematic managers to gauge the spectrum of stewardship activity among peers. During the session, the manager shared developments made to their investment process but we highlighted a few points for consideration such as the importance of a policy formalising sustainability beliefs. Upon follow up in 2023, the manager shared an engagement and active ownership policy, which was a significant milestone in one of our engagement objectives.

In the Pacific region, we conducted engagements with external investment managers on the UNGC and Modern Slavery results. We first conducted portfolio assessments to identify managers/strategies with exposure to UNGC red flag companies and highest modern slavery risk. We then considered the responses from these managers to the relevant UNGC and Modern Slavery questions within our annual manager engagement survey. For those managers not aligned with our expectations, we conducted follow up engagement to highlight those areas where we would like to see improvement. Currently in its third year, this is an annual program of work that has developed over time.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------|---------------|
| SAM 16 | CORE | OO 14, OO 21 | N/A | PUBLIC | Engagement and escalation | 4 |

What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Engagement with their investment professionals, investment committee or other representatives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Notification about their placement on a watch list or relationship coming under review | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (C) Reduction of capital allocation to the external investment managers until any concerns have been rectified | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (F) Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) Our organisation does not have a formal escalation process to address concerns raised during monitoring | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

(5) Private equity**(6) Real estate****(7) Infrastructure****(8) Hedge funds**

(A) Engagement with their investment professionals, investment committee or other representatives

(B) Notification about their placement on a watch list or relationship coming under review

(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified

(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination

(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified

(F) Other

(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring

VERIFICATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| SAM 17 | CORE | OO 14, OO 21 | N/A | PUBLIC | Verification | 1 |

For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?

| | (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (4) Fixed income (passive) |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| (A) We checked that the information reported was verified through a third-party assurance process | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (B) We checked that the information reported was verified by an independent third party | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (C) We checked for evidence of internal monitoring or compliance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |

(5) Private equity**(6) Real estate****(7) Infrastructure****(8) Hedge funds**

(A) We checked that the information reported was verified through a third-party assurance process

(B) We checked that the information reported was verified by an independent third party

(C) We checked for evidence of internal monitoring or compliance

(D) Other

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--|---------------|
| SO 1 | PLUS | PGS 48 | SO 2, SO 2.1, SO 3 | PUBLIC | Setting targets on sustainability outcomes | 1, 2 |

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

SDG Monitoring

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) **Environmental**
 - (2) Social
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name
- Net Zero Target
- (4) Number of targets set for this outcome
- (1) No target
 - (2) One target
 - (3) **Two or more targets**
- (C) **Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) **The UN Guiding Principles on Business and Human Rights (UNGPs)**
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) **Environmental**
 - (2) **Social**
 - (3) **Governance-related**
 - (4) Other
- (3) Sustainability outcome name
- UNGC Principles
- (4) Number of targets set for this outcome
- (1) **No target**
 - (2) One target
 - (3) Two or more targets
- (D) **Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Sustainable Finance Disclosure Regulations (SFDR)

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(E) Sustainability outcome #5

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Modern Slavery Monitoring

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(F) Sustainability outcome #6

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) Social
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name
- Diversity Target
- (4) Number of targets set for this outcome
- (1) No target
 - (2) One target
 - (3) Two or more targets
- (G) Sustainability outcome #7
 - (H) Sustainability outcome #8
 - (I) Sustainability outcome #9
 - (J) Sustainability outcome #10

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|--------------------|------------|--|---------------|
| SO 2 | PLUS | SO 1 | SO 2.1, SO 4, SO 5 | PUBLIC | Setting targets on sustainability outcomes | 1 |

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(B1) Sustainability Outcome #2: Target details

| | |
|---------------------------------|---|
| (B1) Sustainability Outcome #2: | Net Zero Target |
| (1) Target name | Net Zero Target; 45% reduction by 2030 |
| (2) Baseline year | 2019 |
| (3) Target to be met by | 2030 |
| (4) Methodology | in line with science-based IPCC guidance |
| (5) Metric used (if relevant) | Carbon emissions per \$M of FUM, Scope 1&2 emissions for the relevant Mercer Funds (Europe and Pacific) in aggregate. |

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

Note ONLY discretionary assets captured by the target in Europe and Pacific. See TCFD reports for detail: <https://investment-solutions.mercer.com/content/dam/mercersubdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf> AND https://www.mercer.com.au/content/dam/mercercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(8) Target level or amount (if relevant)

Please see linked EU and Pacific TCFD reports above for detail on target levels.

(9) Percentage of total AUM covered in your baseline year for target setting

100%

(10) Do you also have a longer-term target for this?

(1) Yes

(B2) Sustainability Outcome #2: Target details

(B2) Sustainability Outcome #2:

Net Zero Target

(1) Target name

Net Zero Target; net zero by 2050

(2) Baseline year

2019

(3) Target to be met by

2050

(4) Methodology

in line with science-based IPCC guidance

(5) Metric used (if relevant)

Carbon emissions per \$M of FUM, Scope 1&2 emissions for the relevant Mercer Funds (Europe and Pacific) in aggregate.

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

Note ONLY discretionary assets captured by the target in Europe and Pacific. See TCFD reports for detail: <https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf> AND https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(8) Target level or amount (if relevant)

Please see linked EU and Pacific TCFD reports above for detail on target levels.

(9) Percentage of total AUM covered in your baseline year for target setting

100%

(10) Do you also have a longer-term target for this?

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4: Sustainable Finance Disclosure Regulations (SFDR)

(1) Target name

20% lower WACI than benchmark Index on Article 8

(2) Baseline year

2022

(3) Target to be met by

2025

(4) Methodology

SFDR Commitment on Article 8 broad market active equity Funds domiciled in Europe to maintain WACIs that are 20% lower than the WACI of their respective Benchmark Index, as measured over a rolling three-year period.

(5) Metric used (if relevant)

Weighted Average Carbon Intensity

(6) Absolute or intensity-based (if relevant)

(2) Intensity-based

(7) Baseline level or amount (if relevant):

N/A

(8) Target level or amount (if relevant)

N/a

(9) Percentage of total AUM covered in your baseline year for target setting 2.1%

(10) Do you also have a longer-term target for this? (2) No

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6: Diversity Target

(1) Target name 30 by 30

(2) Baseline year 2020

(3) Target to be met by 2030

(4) Methodology As per 30% Club

(5) Metric used (if relevant) Number of female-identifying key decision makers

(6) Absolute or intensity-based (if relevant) (1) Absolute

(7) Baseline level or amount (if relevant): N/a

(8) Target level or amount (if relevant) 30% female-identifying key decision makers across our investment teams and those of appointed investment managers by 2030 (only on discretionary assets). Applicable globally except US.

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (2) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| SO 2.1 | PLUS | SO 1, SO 2 | N/A | PUBLIC | Setting targets on sustainability outcomes | 1 |

For each sustainability outcome, provide details of up to two of your long-term targets.

| | (1) Target name | (2) Long-term target to be met by | (3) Long-term target level or amount (if relevant) |
|---|--|-----------------------------------|--|
| (B1) Sustainability Outcome #2: Net Zero Target | Net Zero Target; 45% reduction by 2030 | 2050 | net zero by 2050 |

FOCUS: SETTING NET-ZERO TARGETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|---------------------------------|---------------|
| SO 3 | PLUS | SO 1 | Multiple, see guidance | PUBLIC | Focus: Setting net-zero targets | General |

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

TRACKING PROGRESS AGAINST TARGETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------|---------------|
| SO 4 | PLUS | SO 2 | SO 4.1 | PUBLIC | Tracking progress against targets | 1 |

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Net Zero Target

Target name: Net Zero Target; 45% reduction by 2030

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(B2) Sustainability outcome #2:

(B2) Sustainability outcome #2: Net Zero Target

Target name: Net Zero Target; net zero by 2050

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Sustainable Finance Disclosure Regulations (SFDR)

Target name: 20% lower WACI than benchmark Index on Article 8

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(F1) Sustainability outcome #6:

(F1) Sustainability outcome #6: Diversity Target

Target name: 30 by 30

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------------|---------------|
| SO 4.1 | PLUS | SO 4 | N/A | PUBLIC | Tracking progress against targets | 1 |

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: Net Zero Target

(1) Target name: Net Zero Target; 45% reduction by 2030

(2) Target to be met by: 2030

(3) Metric used (if relevant): Carbon emissions per \$M of FUM, Scope 1&2 emissions for the relevant Mercer Funds (Europe and Pacific) in aggregate.

(4) Current level or amount (if relevant) Please see the latest regional Annual Reports and the Metrics & Targets section of Australia and Europe TCFD Reports: <https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf> and https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress Measuring scope 1 and scope 2 CO2e emissions (IPCC)

(B2) Sustainability Outcome #2: Target details

(B2) Sustainability Outcome #2: Net Zero Target

(1) Target name Net Zero Target; net zero by 2050

(2) Target to be met by 2050

(3) Metric used (if relevant) Carbon emissions per \$M of FUM, Scope 1&2 emissions for the relevant Mercer Funds (Europe and Pacific) in aggregate.

(4) Current level or amount (if relevant) Please see Metrics & Targets section of Australia and Europe TCFD Reports: <https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Task%20Force%20on%20Climate-related%20Financial%20Disclosures.pdf> and https://www.mercer.com.au/content/dam/mercer/attachments/asia-pacific/australia/investment/MIAL-Investment-Approach-to-Climate-Change_May-2021.pdf

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress Measuring scope 1 and scope 2 CO2e emissions (IPCC)

(D1) Sustainability Outcome #4: Target details

| | |
|--|---|
| (D1) Sustainability Outcome #4: | Sustainable Finance Disclosure Regulations (SFDR) |
| (1) Target name | 20% lower WACI than benchmark Index on Article 8 |
| (2) Target to be met by | 2025 |
| (3) Metric used (if relevant) | Weighted Average Carbon Intensity |
| (4) Current level or amount (if relevant) | |
| (5) Other qualitative or quantitative progress | All funds covered under this commitment are below benchmark and on track to meet their commitment on a 3 year rolling basis |
| (6) Methodology for tracking progress | WACI- scope 1 and 2 |

(F1) Sustainability Outcome #6: Target details

| | |
|--|---|
| (F1) Sustainability Outcome #6: | Diversity Target |
| (1) Target name | 30 by 30 |
| (2) Target to be met by | 2030 |
| (3) Metric used (if relevant) | Number of female-identifying key decision makers |
| (4) Current level or amount (if relevant) | - Last Mercer assessment in 2021: Mercer Global Investments Europe Limited level - 38% and Mercer Investment Solutions International level- 33% -16% average female-identifying representation with portfolio management responsibilities at appointed managers (2022, MGIE) |
| (5) Other qualitative or quantitative progress | |
| (6) Methodology for tracking progress | Manager surveys, Internal Team surveys |

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| SO 5 | PLUS | SO 2 | Multiple | PUBLIC | Levers used to take action on sustainability outcomes | 1, 2, 5 |

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
- (B) Stewardship: engagement with external investment managers**
 Select from drop down list:
 - (1) Individually**
 - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers**
 Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders**
- (D) Stewardship: engagement with other key stakeholders**
 Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders**
- (E) Capital allocation**
 - (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| SO 6 | PLUS | SO 5 | N/A | PUBLIC | Capital allocation | 1 |

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Capital allocation activities used

(2) Explain through an example

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: SDG Monitoring

(1) Capital allocation activities used

(5) Other

(2) Explain through an example

Monitoring of sustainability-labelled funds for alignment against the SDGs. For example, two sustainability-labelled equity funds in Europe (active and passive) have either a more positive or less negative impact on all but one of the SDGs, relative to the MSCI World Index. The methodology leverages third party data provider scoring on a –10 to +10 scale for each SDG.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Net Zero Target

(1) Capital allocation activities used

(1) Asset class allocation
(3) Selection of and allocation to third-party funds

(2) Explain through an example

To contribute to net zero target outcomes, Mercer Europe and Pacific regions in particular apply the following capital allocation levers:

- Strategic asset allocation and portfolio construction decisions to allocate to solutions in line with our climate goals and consistent with our fiduciary responsibilities
- Asset-class approach to implementation; for example, selecting strategies and mandating guidelines that consider our climate goal alignment and other risk and return factors
- Allocation to sustainability themed equity and renewable energy and other sustainable infrastructure to support the energy transition that underpins significant parts of the whole economy

Detail is included in regional Annual Reports and TCFD reports.

(D) Sustainability Outcome #3:

| | |
|--------------------------------|-----------------|
| (D) Sustainability Outcome #3: | UNGC Principles |
|--------------------------------|-----------------|

(1) Capital allocation activities used

(5) Other

(2) Explain through an example

Mercer screens and monitors listed portfolios for high-severity ESG-related risks as flagged according to the UN Global Compact (“UNGC”) Principles that relate to human rights, labour, environment and corruption issues, as identified by our appointed external ESG research provider. In response to identified incidents, we will engage with the managers owning those companies and seek their views on the risk, return and reputation implications as well as engagement insights on the issue.

For MGIE, an escalation process, which may result in exclusion, will respond to instances where:

– Triggers are met on duration, where a high severity incident has been open for a predefined period without a company demonstrating sufficient remediation and where the manager has held the company that same predefined period, without a company demonstrating sufficient remediation in response to manager engagement.

– Manager(s) views on the associated financial and reputational risk are high and likelihood for remediation are low.

– The issue is pervasive to the entire company, as opposed to a single incident or an issue related to one part of the company.

– The potential risk/return impacts of exclusion if implemented are low – Although exclusion for higher materiality companies is possible for persistent remediation failures

An internal approval committee reviews proposals and if an exclusion decision is taken, the company will be moved from the UNGC list to the exclusion list.

(E) Sustainability Outcome #4:

| | |
|--------------------------------|---|
| (E) Sustainability Outcome #4: | Sustainable Finance Disclosure Regulations (SFDR) |
|--------------------------------|---|

(1) Capital allocation activities used

(1) Asset class allocation

(3) Selection of and allocation to third-party funds

(4) Divestment from assets or sectors

Applicable only to Irish domiciled funds (MGIE):

New carbon commitments on active funds:

Equity: 20% lower WACI vs benchmark on 3 year rolling basis

Fixed Income: excluding the worst carbon emitters from investable universe

(2) Explain through an example

Expanded set of exclusions to reduce environmental impact & enhanced framework to monitor UN Global Compact breaches of SFDR Article 8 funds

Commitments to “Sustainable Investments” and PAIs to help meet client sustainability preferences under MiFID

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5:

Modern Slavery Monitoring

(1) Capital allocation activities used

(2) Explain through an example

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6:

Diversity Target

(1) Capital allocation activities used

(2) Explain through an example

STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| SO 10 | PLUS | OO 5, SO 5 | N/A | PUBLIC | Stewardship with external investment managers | 2 |

During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

As a first step, we share our regional SI policies with appointed investment managers to encourage them to become familiar with our beliefs, priorities, and expectations. Engagement is then a combination of the manager research process, the annual engagement survey, and the regular interaction managers have with the investment team via email, calls and during regular meeting cycles as prioritised by the investment team in each region.

Mercer's ESG Ratings represent the Mercer Manager Research team's assessment of the extent to which environmental, social and corporate governance (ESG) factors are incorporated in a strategy's investment process. Four factors are considered, including a stewardship related factor, and documented within the research commentary and an overall rating assigned. Across the majority of asset classes and particularly for the multi-manager, multi-client Mercer Funds, ESG ratings are reviewed during quarterly monitoring by the investment management teams with a more comprehensive review performed annually. In our reviews, we seek evidence of positive momentum on managers' ESG integration. We compare managers' ESG ratings to the relevant universe of other strategies in Mercer's Global Investment Management Database (GIMD) in order to understand the relative position of investment strategy's ESG integration process. Engagements are prioritised with managers where their strategy's ESG rating is behind that of their peer universe.

Our annual Manager Engagement Survey is an important input in assessing managers' stewardship approaches, along with insights shared by managers through their regular reporting and in our engagements with them. The survey seeks to gather granular strategy-level information from each manager appointed in the Mercer Funds on the approach managers have taken to stewardship (voting and engagement), with clear examples provided on engagements and voting activity related to individual securities throughout the previous year.

The underlying strategy and fund level information collected through the survey provides an important source of information used to construct Manager Engagement Dashboards (“dashboards”) at the strategy level, which highlight key areas of focus for regular discussions with managers throughout the year. This is supplemented with additional information gathered from Mercer’s ESG ratings and other sources, in order to provide a holistic view of manager’s stewardship approaches.

The investment management teams in each region can leverage these dashboards to identify priority areas alongside other analytics. Priority managers are typically based on materiality, risk assessments and those deemed to have the greatest opportunity for improvement, with a view to positively influencing their approach over time.

As an example, the 30 x 30 diversity target is a case of setting expectations, communicating with managers, and recognising that this kind of change will take time but demonstrable action and progress is expected to be seen in the near term, hence this is part of annual portfolio reviews.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: SDG Monitoring

(1) Describe your approach

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Net Zero Target

(1) Describe your approach

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: UNGC Principles

(1) Describe your approach

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Sustainable Finance Disclosure Regulations (SFDR)

(1) Describe your approach

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Modern Slavery Monitoring

(1) Describe your approach

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Diversity Target

(1) Describe your approach

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| SO 11 | PLUS | SO 5 | N/A | PUBLIC | Stewardship: Engagement with policy makers | 2 |

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

Mercer seeks to engage with policy makers where we believe we have the opportunity and ability to improve long-term investment outcomes and contribute to more sustainable and stable global financial markets. Any engagement or collaboration must be carried out in accordance with applicable law and regulation and our policy on conflicts of interest. Engagement varies by region but typically includes responses to particular consultations, and often as part of collaborative initiative participation.

(2) Engagement tools or activities used

(1) We participated in 'sign-on' letters
(2) We responded to policy consultations

(3) Example(s) of policies engaged on

Participation through Irish Funds Industry Association, Mercer UK Limited response on TCFD consultation and the Investor Agenda climate letter to the G20 in 2022.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

SDG Monitoring

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

Net Zero Target

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: UNGC Principles

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Sustainable Finance Disclosure Regulations (SFDR)

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Modern Slavery Monitoring

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Diversity Target

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| SO 12 | PLUS | SO 5 | N/A | PUBLIC | Stewardship: Engagement with other key stakeholders | 2, 5 |

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

(A) Across all sustainability outcomes

| | |
|------------------------------|--|
| (1) Key stakeholders engaged | (1) Standard setters (2) Reporting bodies (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (9) Other key stakeholders |
|------------------------------|--|

| | |
|---|--|
| (2) Provide further detail on your engagement | <p>The below is not an exhaustive list but captures example collaborative initiative participation, which is largely how support for new developments are implemented, together with our direct engagement with our appointed third party providers and in consideration for prospective providers.</p> <ul style="list-style-type: none">- Principles for Responsible Investment (PRI)- Institutional Investor Group on Climate Change (IIGCC)- Investor Group on Climate Change (IGCC)- CDP- TCFD and TNFD (Forum member)- UK Stewardship Code- 30% Club- Climate Action 100+- Investors Against Modern Slavery and Trafficking- Australian Sustainable Finance Institute |
|---|--|

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: SDG Monitoring

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Net Zero Target

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: UNGC Principles

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Sustainable Finance Disclosure Regulations (SFDR)

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Modern Slavery Monitoring

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Diversity Target

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| CBM 1 | CORE | N/A | Multiple indicators | PUBLIC | Approach to confidence-building measures | 6 |

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) **Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI**
 - (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------|---------------|
| CBM 6 | CORE | CBM 1 | N/A | PUBLIC | Internal review | 6 |

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) **Senior executive-level staff, investment committee, head of department, or equivalent**
 - Sections of PRI report reviewed
 - (1) **the entire report**
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year