INVESTING IN A TIME OF CLIMATE CHANGE

MERCER DELEGATED SOLUTIONS EUROPE – DEFINED BENEFIT CLIENTS

CLIMATE CHANGE MANAGEMENT REPORTING

DECEMBER 2019

MERCER

INTRODUCTION

Mercer Delegated Solutions in Europe (Mercer DSE[1]), is a leading provider of investment solutions including a comprehensive suite of multi-sector and single-sector funds catering for the investment needs of a wide range of investors. This climate change management statement sets out in more detail the climate change-related commitments made in Mercer DSE's publicly available **Sustainable Investment Policy**[ii] for the multi-client Mercer funds it manages (Mercer Funds), and is specifically focused on the funds for our defined benefit clients. The climate change-related financial risks, particularly the carbon emissions of Mercer's operations, are captured in reporting by Marsh & McLennan Companies, Mercer's parent entity, on a global basis, which includes emissions reporting to CDP annually.

Mercer DSE leverages the well-established research and proactive approach to climate change that Mercer has taken for many years, as championed by our industry-leading global Responsible Investment team[2]. In 2011, Mercer published its first global research report on climate change and its implications for strategic asset allocation. This was followed in June 2015 by the major update, *Investing in a Time of Climate Change*, and most recently in 2019 by *Investing in a Time of Climate Change – The Sequel*.

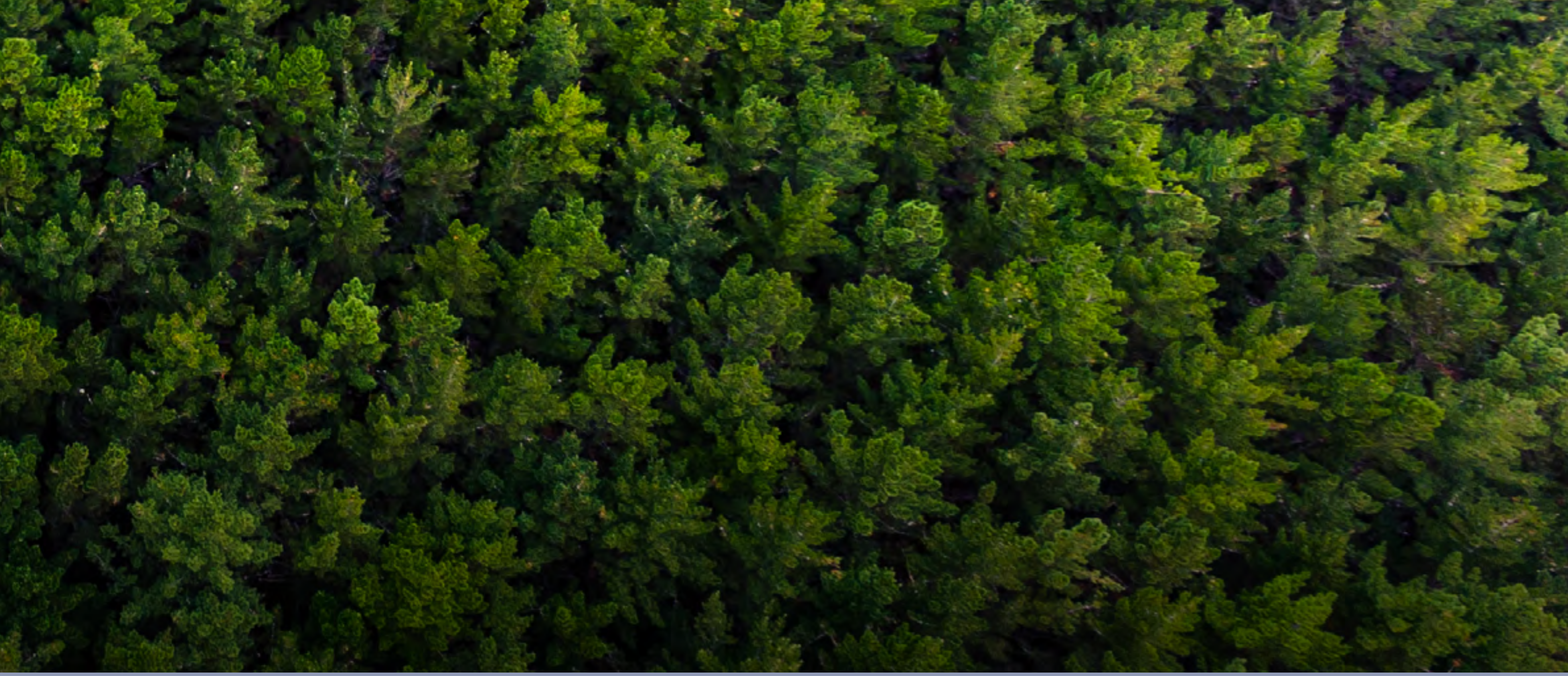
Mercer has developed internal investment processes to include:

- Specific references to climate change in our global investment beliefs as a "systemic risk" and therefore to "consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts under different climate outcomes"[iii]
- Updated manager research approaches by asset class to explicitly incorporate relevant climate change considerations, including climate change-related voting and engagement, as part of our longstanding policy to consider and improve the ESG Ratings of the appointed investment managers over time
- Updated 'top down' strategy stress tests to include climate change, which together with 'bottom up' metrics such as carbon footprinting gives a total fund view
- Active consideration for sustainability-themed allocations in all funds, not just 'Socially Responsible Investing' branded options

Mercer collaborates with industry groups on climate change, including:

- Signing all G20 investor letters on climate change since 2014[iv]
- As a member of the Principles for Responsible Investment (PRI); the Institutional Investor Group on Climate Change (IIGCC); the Responsible Investment Association of Australia (RIAA); the Carbon Disclosure Project (CDP); the Transition Pathway Initiative (TPI); and the Global Impact Investing Initiative (GIIN)
- Actively participating in the Task Force on Climate-related Financial Disclosures (TCFD) as a Task Force member until mid-2018 and signing the statement of support
- An in-depth study with Ceres on addressing climate change-related considerations for insurers[v]
- Focusing on the critical theme of mobilising private-sector investment in sustainable infrastructure in emerging markets through partnerships with the Inter-American Development Bank Group (IDBG)[vii] and the Mobilizing Institutional Investors for the Development of African Infrastructure initiative (MiDA)[viii]
- Supporting our sister company Oliver Wyman in 2017/2018 in their climate change risk tool development to assess credit risk in bank-lending portfolios[ix]

[1] Mercer DSE is delivered by Mercer Limited, registered in England No. 984275, whose registered office is at 1 Tower Place West, Tower Place, London EC3R 5BU, and Mercer Global Investments Europe Limited, registered in Ireland, No 416688, whose registered office is at Charlotte House Charlemont Street, Dublin 2, Ireland.



The 'TCFD' framework

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (the TCFD) released its final recommended framework for climate-related financial disclosure in June 2017. An introduction to the TCFD and its framework can be found at **www.fsb-tcfd.org**, with the four key recommendations outlined below.

Figure 1: TCFD Framework
The recommendations are in four key areas:

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's business strategy, and financial planning.

Risk Management
The processes used by the organisation to identify,assess, and manage climate-related risks.

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

The recommendations are broadly consistent with Mercer's *Investing in a Time of Climate Change* reports, highlighting the importance of governance and oversight, forward looking scenarios and metrics for risk assessment.

Mercer DSE's approach to climate change management across each of these four areas is outlined in the following pages.

GOVERNANCE

Mercer DSE's governance oversight on climate change-related risks and opportunities

Board Level

The Mercer Global Investments Europe Limited (MGIE) Board, which has oversight responsibility for the Investment Management of the Mercer Funds in Europe, determined that climate change would be an explicit topic for the Board's agenda at least annually when the Sustainable Investment Policy was updated in November 2017, including commitments to TCFD aligned activity and disclosure. The Chief Investment Officer and Equities Portfolio Manager presented and answered questions in meaningful detail on multiple climate change actions, as documented in subsequent sections throughout the document, at a Board meeting in early October 2018. This was repeated in 2019 and is expected to be repeated on an annual basis going forward at a minimum.

The Board is made up of executive and non-executive Directors. Board members are becoming increasingly educated on climate change-related risks and opportunities and how these may influence decisions in relation to risk management, strategy setting, and in monitoring implementation. It is also being actively discussed in relation to product development.

Climate change-related risks and opportunities are not currently explicitly captured within business planning or performance objectives, and there are not currently explicit goals and targets, but this may be reviewed and updated in future.

Management Level

The European Chief Investment Officer (CIO), Niall O'Sullivan, sets expectations and provides direction to portfolio managers and management committees, and reviews and assesses results. As the CIO, Niall reports regularly to business management and The Board. This investment leadership, actively supported by multiple team members, means climate change-related risks and opportunities are increasingly being incorporated into the investment process at each level of investment decision making i.e. within strategy, fund construction, manager appointment decisions and ownership activities, consistent with Mercer's global investment beliefs.

Mercer Global Resources and Investment Beliefs

As regional CIO, Niall has the leadership and support of the Global CIO, Hooman Kaveh, who also reinforces the growing importance of capturing climate change considerations and monitoring for developments within investment decisions in global CIO meetings and governance committees. This includes the Delegated Solutions Global Environmental, Social and Governance (ESG) Integration Committee, formed in 2018, which includes portfolio management and responsible investment representatives from each key region.

The CIO team globally is also guided by Mercer's investment governance structure and research committees charged with reviewing and setting guidance on Mercer intellectual capital development and 'house views'. This includes the Global Strategic Research Committee, chaired by Deb Clarke, Global Head of Research, which ultimately reviews climate change-related research such as Mercer's *Investing in a Time of Climate Change* modelling and reports.

This research, led by Mercer's Responsible Investment team together with senior Mercer actuaries/consultants, informs the strategic climate change scenario modelling, asset class and sector priorities that the Mercer CIO team globally is able to draw upon in their decision making. Mercer has advised investors on all aspects of ESG and stewardship for more than a decade, and established its formal Responsible Investment unit in 2004.

Mercer's global investments beliefs support Mercer's commitment to the Principles for Responsible Investment (PRI) and recognise the international and regional guidance on stewardship. Mercer's 2015 and 2019 *Investing in a Time of Climate Change* reports, the Paris Agreement on Climate Change and the drivers underpinning the Sustainable Development Goals are framework examples that inform our RI views.

Mercer believes a sustainable investment approach is more likely to create and preserve long-term investment capital and, more specifically, that:

1. **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 change outcomes.
4. **Stewardship** (or active ownership) helps the realisation of long-term shareholder value by providing investors with an opportunity to enhance the value of companies and markets.

Consequently, we believe that a sustainable investment approach that considers these risks and opportunities is in the best interests of our clients.

STRATEGY

The modelled impacts of climate change-related risks and opportunities on Mercer DSE's business and strategy over time under multiple scenarios

This section first introduces the Mercer climate change scenario modelling approach before outlining how this is applied by Mercer DSE in its investment strategies and at a business planning level to assess the potential impacts of climate change-related risks and opportunities and the likely resilience under different climate change scenarios. In summary, Mercer DSE:

- Has completed climate change scenario modelling and stress testing of its multi-sector funds and is integrating findings into asset allocation and portfolio construction decisions.
- Will increasingly align portfolios with a 2°C scenario where consistent with investment objectives, as Mercer believes this is in the best interests of our investors. This would be consistent with the Paris Agreement on Climate Change.
- Will implement scenario signpost monitoring at least annually and agree priority areas, using Mercer's Scenario Signposts Reference Guide and input from the Responsible Investment team.

Mercer climate change scenario modelling overview

Investors often use scenario analysis to support strategic asset allocation and portfolio construction decisions as it helps to test fund resilience under multiple potential future outcomes. Mercer developed its own climate change scenario modelling tool in 2015. This is documented in the 2015 *Investing in a Time of Climate Change* report, and updated in 2019 in *the Sequel*.

Mercer's climate change scenario modelling takes a forward-looking approach to supplement core asset allocation models, which rely primarily on historical data and thus fail to capture the investment impacts of the low-carbon economy transition and anticipated physical impacts of climate change. The key benefit is the ability to prioritise climate change-related risks and opportunities and the potential relative impacts under different climate change scenarios to support strategic decision making on asset allocation and portfolio construction. The scenario analysis can be combined with further insights from 'bottom up' tools that look at company level exposures to refine assessments within asset classes and sectors.

Mercer's The Sequel report and accompanying documents sets out Mercer's latest climate change scenario model for assessing the effects of both physical risks and transition risks on investment return expectations at a total fund, asset class and industry sector level. In the Sequel, Mercer separates out physical impacts risk and transition risk into four risk factors. The model uses these risk factors for three climate change scenarios (2 °C, 3 °C and 4 °C) over three timeframes (ten years to 2030, to 2050 and to 2100).

We set out two types of results: annualised return impact results (where long-term climate change impacts are expressed on a per annum basis) and scenario stress testing (where return impacts materialise as shorter-term climate change-related market repricing events over a period of less than one year).

Further methodological details can be found in the *Investing in a Time of Climate Change – The Sequel* public report.

Modelling results for Mercer DSE strategies

The Mercer DSE Asset Allocation Committee, working with the CIO, includes climate change scenario modelling as an input to strategy decisions when deciding on the percentage of assets to be allocated to different asset classes to the diversified portfolios Mercer manages on behalf of our defined benefit clients. This process helps to test current and potential funds with a 'climate lens', alongside other traditional considerations in the decision making process. This analysis was first undertaken in early 2016 and followed up in 2018, with the more recent analysis in early 2019 applying the latest Mercer model.

In summary:

- The funds analysed are better positioned for a 2°C scenario since the 2016 climate change scenario analysis, with the fund that includes 10% to private markets slightly better positioned to benefit from a 2°C scenario over the next ten years, compared with the other funds. This is due to strong sustainable opportunities in private markets (e.g. equities and infrastructure).
- Positive return impacts are now expected under a 2°C scenario over the next ten years. We refer to this as the "low-carbon transition" premium.
- By 2050 and beyond, climate change becomes a drag on returns under all scenarios for all portfolios as a result of physical impact risks. These are strongest under a 4°C scenario.
- The asset class drivers for the fund results are primarily the exposures to infrastructure, property and equities. The reaction within each of these asset classes depends on the underlying sector and regional exposures (e.g. % of renewables in infrastructure, % of energy and utilities in equities, % in emerging markets or % in fossil fuel intensive economies) and the expected risks and opportunities for these in each climate change scenario.

Long Term Annual Returns Analysis

In the latest review, a number of multi-sector funds were analysed using the three new Mercer climate change scenarios over three time periods, including Mercer Growth, Mercer Growth with 10% Private Markets and an illustrative sustainability themed version for testing purposes. The comprehensive analysis report includes a lot more detail, but summary results are included below for the two current Mercer funds.

Figure 2: Annualised Total Fund Return Results by Scenario, Over Time

Mercer Fund Results		Mercer Growth	Mercer Growth with 10% Private Markets
2°C	10 Years		
	32 Years (ending 2050)		
	82 Years (ending 2100)		
3°C	10 Years		
	32 Years (ending 2050)		
	82 Years (ending 2100)		
4°C	10 Years		
	32 Years (ending 2050)		
	82 Years (ending 2100)		

All figures represent % per annum return impacts

≤ - 10 bps   > - 10 bps, < 10 bps   ≥ - 10 bps

Short Term Stress Testing Analysis

Stress testing analysis was also completed to consider changes in view on scenario probability, market awareness and physical impacts. This is because we don't believe future changes will be neat and gradual, but could come with sudden surprises where new information and market responses prompts more rapid change. Note, the figures below are not annualised, but a single point in time impact over < 1year.

Stress test #1

- Tested the potential return impact of a sudden shift to a low carbon 2˚C scenario and an assumption that 80% of climate change information is priced in by markets (from a 20% base).

Stress test #2

- Tested the potential return impact of a sudden shift to a high carbon 4˚C scenario and an assumption that 80% of climate change information is priced in by markets (from a 20% base).

For the physical impacts analysis in the high carbon 4˚C stress test, the "Mercer Damage Function" has been used, which is based on key academic inputs for three major 'perils' – coastal flooding, wildfire and agriculture. This analysis suggests a 17% loss to GDP by 2100 under a 4°C scenario. However, there are other views in this very challenging modelling area, with some of these challenges outlined in the Mercer research. For Stress Test #2, we also reviewed results applying the "DS Damage Function" which suggests a 51% loss to GDP by 2100 under a 4°C scenario. Total fund results ranged from -2.6% (Mercer Growth) to -2.8% (Mercer Growth with 10% Private Markets).

See the *Investing in a Time of Climate Change – The Sequel* public report for further methodological details.

Figure 3: Stress Test Return Results

Mercer Fund Results		Mercer Growth	Mercer Growth with 10% Private Markets
2°C Stress Test	Return impact over <1 year		
4°C Stress Test	Return impact over <1 year		

All figures represent % return impacts (not annualised)

≤ - 2%   > - 2%, < 2%   ≥ 2%

Application in business scenario planning

We expect that the risk and return priorities by asset class under each climate change scenario, particularly a 2°C scenario, will assist in future decisions on fund exposures and product development. In business planning these findings can be drawn upon in considering exposures in each asset class and industry sector and drive the risk management priorities. More is provided in the risk management section.

RISK MANAGEMENT

The processes used by Mercer DSE to identify, assess and manage climate change-related risks and integrate within overall risk management

Process for assessing potential size and scope of identified climate change-related risks, including regulatory requirements, and any risk terminology or frameworks used.

The climate change scenario modelling process outlined in the Strategy section of this document is the key framework Mercer DSE uses to assess the size and scope of climate change-related risks from a return perspective and prioritise asset classes and industry sectors for risk management (and exposure to new opportunities). Climate change is not expected to be a sole or primary driver for change but is expected to be given more significant weighting as part of the decision making process by the Asset Allocation Committee and portfolio managers in priority asset classes, including industry sector weightings in equity fund analysis, with support from the Risk Team.

In addition to this modelling analysis, the Mercer team have also recently developed a scenario signposts resource to assist in monitoring transition, physical impacts, litigation and other intersecting risk developments on an ongoing basis. This includes a list of topics to consider and links to various research resources to assist in that monitoring. This scenario signposts resource will be utilised by members of the investment team to help assess potential changes in scenario probabilities and the impacts on fund decisions, together with monitoring managers and their understanding of developing risks and opportunities.

The Responsible Investment team, keep up to date on regulatory developments in relation to climate change, with our current understanding that Mercer's established frameworks and processes are well positioned to meet or exceed existing and anticipated regulatory requirements.

Integration into overall risk management processes

Mercer DSE's risk team, who have responsibilities that range from portfolio analytics support for the investment team to monitoring investment risk positions for individual clients, are also increasingly taking on responsibilities for reviewing portfolio analytics that includes carbon-related metrics e.g. carbon intensity or carbon footprinting. This team's growing involvement is an example of the trend towards integration within the Mercer DSE investment team with support, but no longer reliance, on the Responsible Investment team.

The following table outlines a number of actions by asset class in order to mitigate risk and increase exposure to opportunities, consistent with the analysis and recommended actions arising from the climate change scenario modelling exercise, which in some cases was already being actioned as part of existing ESG integration with an additional focus on climate change considerations.

Table 1: Current Mercer Funds Australia Risk Management Actions

Asset Class	Integration	Stewardship	Investment	Screening
Equities	• Applying Mercer ESG Ratings and climate change specific questions for appointed and potential managers following the Mercer model climate change risk factors framework and sector and region return implications in scenario modelling. • Leveraging bottom up listed portfolio analytics to complement top down findings (see Metrics and Targets section).	• Monitoring equity manager voting on climate change-related shareholder resolutions for consistency with policy and between managers. • Monitoring equity manager engagement priorities and reporting. • Reviewing Mercer's engagement priorities globally and implementation options, but climate change is already a top priority and collaborative engagements undertaken.	• Launched sustainable global equity strategy in 2016 and included an allocation in diversified client portfolios. • Designed new sustainable index portfolios in conjunction with appointed managers, for inclusion in sustainable labelled funds and diversified client portfolios in 2019.	• High carbon assets are excluded in sustainability themed funds e.g. Sustainable Global Equity Fund won't invest in companies with >10% revenue in thermal coal and tar sands and the Sustainable Index Fund won't invest in companies with >5% in fossil fuels Screening for UN Global Compact breaches, followed up with manager engagement and monitoring, and the potential for subsequent exclusion.
Real Assets (Infrastructure, Real Estate)	• Applying Mercer ESG Ratings and climate change specific questions for appointed and potential managers following the Mercer model climate change risk factors framework and asset class, sector and region return implications in scenario modelling. • Due to conduct geographic exposure assessment, including any insurance gaps, for real asset holdings in property and infrastructure.	• Initial stewardship monitoring, particularly on real estate, has begun with an expanded focus expected in future on manager engagement on underlying assets.	• The small exposure to Mercer Sustainable Opportunities includes infrastructure, private equity and natural resources allocations in environmental themes including renewable energy, energy efficiency, waste, water., together with robust impact reporting.	• Fossil fuels are excluded from the small private markets exposure to Mercer Sustainable Opportunities, however, there are no other climate change-related exclusions applied across real assets at this time.
Fixed Income	• Applying Mercer ESG Ratings and climate change specific questions for appointed and potential managers following the Mercer model climate change risk factors framework and return implications in Mercer modelling for emerging market debt and high yield debt in particular, together with some Sovereigns expected to be negatively impacted by physical damages.	• No explicit stewardship monitoring of appointed fixed income managers or collaborative engagements at this time, but will be reviewed in future for credit portfolios.	• No explicit solutions allocations in fixed income at this time, but will be reviewed in future.	• No climate change-related exclusions applied to fixed income at this time.
Hedge Funds	• We do not expect hedge funds, in aggregate, to be sensitive to the climate change risk factors but will apply the above to long/short equity funds, commodities and insurance-linked securities.			

Stewardship

Mercer DSE regards investment governance and active ownership of particular importance in serving the interests of our investors and adopts a stewardship program that includes a range of voting and engagement activities. Mercer DSE, with support from the Responsible Investment team, has a regular stewardship monitoring program for all appointed equity sub-investment managers. This has evolved over recent years but currently includes an annual policy review, utilising the UK Stewardship Code framework (due to be updated in the UK before the end of 2019), an annual survey of engagement priorities, and an annual review of voting and engagement activity.

Climate change has been a regular topic of interest in these reviews. For example, in 2016, four high profile shareholder resolutions provided a point of reference to review voting patterns across sub-investment managers, and in 2017, responses were sought on the TCFD recommendations and the anticipated response from sub-investment managers. Mercer DSE's appointed equity managers also included climate change as one of their top priorities in 2018 (reinforced in 2019). Aggregate responses and any recommended improvements are captured in annual feedback letters.

The Global Delegated Solutions ESG Integration Committee is also actively reviewing Mercer's global engagement priorities on behalf of the total assets under management. Climate change is a top priority and Mercer has supported a number of collaborative engagement initiatives in recent years, including investor letters to the G20 regarding climate change-related policy commitments. We expect Mercer's engagement activity will be reinforced during 2019 and beyond through the global committee to better amplify and/or augment the engagement activities of the appointed sub-investment managers, with the exact format this takes to be confirmed.

METRICS AND TARGETS

The metrics and targets used to assess and manage relevant climate change-related risks and opportunities, in line with strategy and risk management

Key metrics for climate change-related risks/opportunities

For equities, Mercer DSE has primarily relied on carbon footprinting analysis for all equity funds as a key fund metric for carbon emissions intensity of funds vs the benchmark. This is a way of assessing historic carbon emissions volume/intensity, which is an indicator for the relative risk of carbon pricing increases as part of the transition to a low-carbon economy.

Different methodologies can be used to calculate a portfolio's carbon 'footprint'. The methodology applied is the Weighted Average Carbon Exposure (WACI), which is the preferred method of the TCFD. WACI is the sum product of the underlying funds weights * company carbon intensities (tons CO2e / $M revenue[2]).

An increased focus on fossil fuel reserves and the potential for stranded assets risks is also expected in the future. For Mercer's Sustainable Global Equity Fund there has also been an increasing focus on green revenues and new metrics developments that take a forward looking view on how a fund is positioned for the transition to a low-carbon economy.

For real assets, to date only the small exposure to Mercer's Sustainable Opportunities Fund measures 6 environmental metrics on energy, water, waste and natural resources, documented in the annual impact report.

Greenhouse Gas Emissions

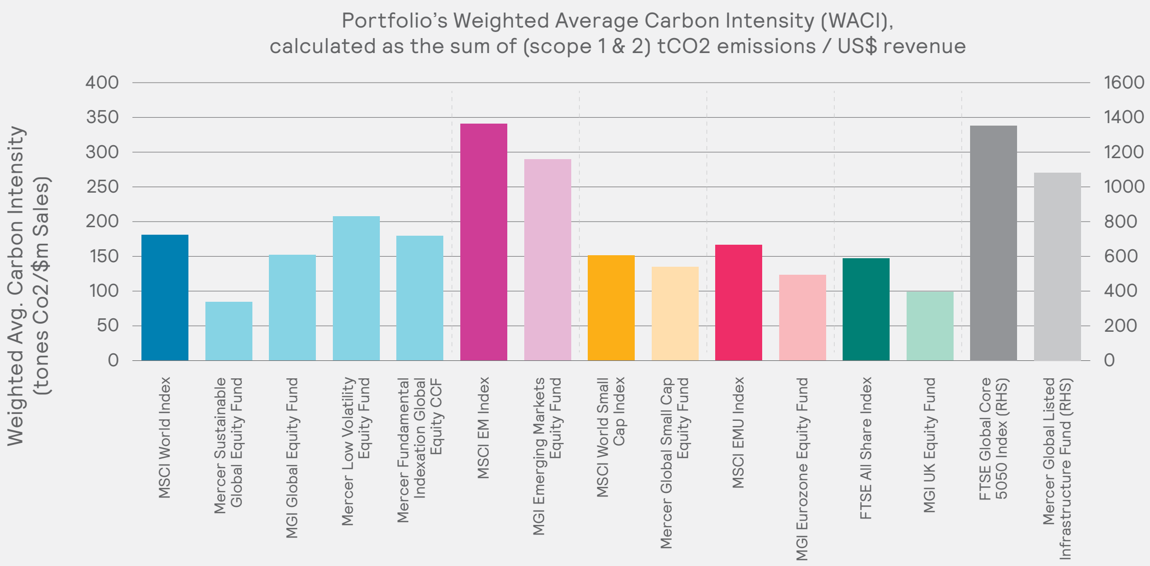
Carbon footprinting analysis was completed in 2018 and in Q2 2019 for all equity funds to assess risk relative to benchmarks and key findings are set out below (See Figure 4).

In summary:

- The majority of equity funds have lower carbon intensity than their benchmarks.
- The following strategy has a carbon intensity score slightly ahead of its benchmark:
  - The Mercer **Low Volatility Equity** fund is only marginally more carbon intensive than the MSCI World Index. The fund invests approximately 10% in non-equity holdings (i.e. cash and gold) which the model does not account for. This results in a higher carbon intensity profile than if these assets were included in the model.

[2] Tonnes of carbon dioxide equivalent per USD million in revenues.

Figure 4: Comparison of Weighted Average Carbon Intensity – Equity Funds vs Benchmarks



*Note: Listed Infrastructure on secondary axis on RHS – same units (i.e. tones Co2/$m Sales)

Targets used to manage climate change-related risks and opportunities

For the Mercer Sustainable Global Equity Fund there is an expectation, and evidence to date of a 53% lower carbon intensity outcome than its benchmark. There are no formal targets currently in place for other portfolios at this stage. Where possible, Mercer DSE aims to have lower carbon intensity scores for our funds vs. the benchmark and will investigate and engage with funds/sub- investment managers where the score is higher. However, we also recognise the shortfalls and inconsistencies that remain in carbon disclosures by companies and the many metrics that manager portfolios are being considered against, so carbon footprint data is typically used as an engagement tool.

Mercer DSE recognises that targets can be helpful for focusing analysis and actions, but can also create unintended consequences if meeting those targets are at the expense of other investment considerations. Mercer DSE will discuss target setting in the near future.

END NOTES

i Mercer Delegated Solutions Europe. *Sustainable Investment Policy, 2019*, available at http://content.mercer.com/_layouts/15/DocIdRedir.aspx?ID=HVCONTENT-639725686-1735

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iii Mercer. *Mercer Investments Beliefs*, 2018, available at https://www.mercer.com/our-thinking/wealth/mercer-investments-beliefs.html.

iv The Investor Agenda. "Policy Advocacy," 2018, available at https://theinvestoragenda.org/areas-of-impact/policy-advocacy/.

v Task Force on Climate-related Financial Disclosures. available at https://www.fsb-tcfd.org/tcfd-supporters/.

vi Ceres and Mercer. *Assets or Liabilities? Fossil Fuel Investments of Leading U.S. Insurers*, 2016, available at https://www.ceres.org/sites/default/files/reports/2017-03/Ceres_AssetsRiskFossilFuel_InsuranceCo_060616_2.pdf.

vii Mercer and Inter-American Development Bank. *Building a Bridge to Sustainable Infrastructure*, 2016, available at https://www.mercer.com/our-thinking/building-a-bridge-to-sustainable-infrastructure.html; and Mercer and Inter-American Development Bank. *Crossing the Bridge to Sustainable Infrastructure Investments*, 2017, available at https://www.mercer.com/our-thinking/wealth/crossing-the-bridge-to-sustainable-infrastructure-investing.html.

viii Mercer and MiDA. *Investment Opportunities in African Infrastructure: Challenges and Opportunities*, 2018, available at http://content.mercer.com/Investments/African%20Infrastructure%20Investment%20Opportunities%20Full.pdf.

ix Oliver Wyman. *Extending Our Horizons*, 2018, available at http://www.oliverwyman.com/our-expertise/insights/2018/apr/extending-our-horizons.html.

STATEMENT GOVERNANCE

This Statement was last updated in November 2019. It has been prepared by members of Mercer's Responsible Investment team and reviewed and approved by the Mercer DSE CIO. Future updates will be issued where there is a change in internal process or disclosure requirements. Clients will continue to receive updates on our climate change-related monitoring and decision making on a regular basis as part of standard reporting.

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For further information, please contact your local Mercer office or visit our website at:
www.mercer.com

MARSH & McLENNAN COMPANIES

239757 – Mercer Delegated Solutions – TCFD Doc Europe – Dec 2019_FA_v2