

# Engagement Policy Implementation Statement for the Year Ended 31 March 2025

## Vertellus Specialties UK Limited Pension And Life Assurance Plan (“the Plan”)

### 1. INTRODUCTION

The Implementation Statement (known as the Statement) presents the Trustee’s assessment of its adherence to their engagement policy and their policy concerning the exercise of rights (including voting rights) attaching to the Plan’s investments throughout the one-year period ended 31 March 2025 (the “Plan Year”). The Trustee’s policies are set out in their Statement of Investment Principles (SIP), with the SIPs dated May 2021 and May 2024 applying during the Plan Year.

This Statement has been prepared in accordance with *the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019* and the guidance published by the Department for Work and Pensions. For the avoidance of doubt, this Statement does not include commentary on activity relating to the Plan’s AVC holdings.

During the Plan Year the Trustee appointed Mercer Limited (Mercer) as the discretionary investment manager and the Plan’s assets are invested in a diverse range of specialised pooled funds (known as the Mercer Funds). The management of each of the Mercer Fund’s assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE). The relevant Mercer affiliate is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the assets of each Mercer Fund.

Under these arrangements, the Trustee accepts that they do not have the ability to directly determine the engagement or voting policies of MGIE and how MGIE apply these to the managers of the Mercer Funds. In this regard, Mercer’s publicly available Stewardship Policy provides more detail on Mercer’s stewardship beliefs and how these are implemented in practice. In addition, Mercer’s publicly available Sustainability Policy sets out how Mercer addresses sustainability risks and opportunities and considers Environmental, Social and Corporate Governance (ESG) factors in decision making across the investment process.

The Trustee reviewed regular reports from Mercer with regard to the engagement and voting undertaken within the Mercer Funds in order to consider whether the policies align with those of the Trustee and of best practice. In addition, Mercer’s Client Engagement Survey seeks to integrate the Trustee’s, and other investors in the Mercer Funds, views on specific stewardship themes by assessing the level of alignment between Mercer’s engagement priority areas and those of all Mercer Fund investors, while highlighting additional areas of focus which are important to investors.

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

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

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

In January 2025 the Trustee appointed Broadstone Corporate Benefits Limited (Broadstone) to provide investment consulting services. In March 2025 the Trustee obtained written advice from Broadstone and agreed to appoint a new investment manager, replacing MGIM, and revised the target asset allocation. The appointment of the new investment manager and the transition of assets occurred after the end of the Plan Year. The SIP was updated shortly after the Plan Year (dated May 2025) to reflect changes that had been considered by the Trustee during the Plan Year.


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

The Trustee's ESG beliefs are outlined in Section 9 of the Plan's SIP dated May 2024.

The Trustee regularly reviewed how ESG, climate change and stewardship was integrated within Mercer's, and MGIE's investment processes and those of the underlying investment managers within the Mercer Funds, in the monitoring process, Mercer, and MGIE, provided reporting to the Trustee on a regular basis.

**How the Policy has been implemented over the Plan Year (one year period to 31 March 2025)**

The following work was undertaken during the year relating to the Trustee's policy on sustainability integration, including the climate transition and effective stewardship.

 Policy Updates	 Climate Change Reporting and Carbon Foot printing	 Mercer Ratings
The Trustee regularly reviews how sustainability considerations including the climate transition and effective stewardship are integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers within the Mercer Funds, in their monitoring	Mercer's global investment philosophy, which the Trustee has reviewed, recognises that: <ul style="list-style-type: none"><li>• Portfolio resilience can be enhanced by integrating financially material sustainability,</li></ul>	Stewardship forms an important part of Mercer's ratings framework applied during the manager research process.  Mercer's manager research ratings include an assessment of the extent to which sustainability

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process. Mercer, and MGIE, provided reporting to the Trustee on a regular basis.

The Mercer [Sustainability Policy](#) is reviewed regularly, with updates in November 2024 including an update to Mercer's Investment Philosophy. Mercer also regularly reviews its approach to integrating climate considerations into its investment decision-making process as documented in its [Task Force on Climate Related Financial Disclosures \(TCFD\) report](#), updated in August 2024.

The Mercer [Stewardship Policy](#) is similarly reviewed regularly. In January 2024 the policy was updated to include nature engagement priorities, and climate and diversity, equity and inclusion (DEI) voting expectations.

The Stewardship and Sustainability Policies have also been updated with the integration of nature and biodiversity as a key investment and engagement theme. Mercer is a member of the Task Force for Nature Related Financial Disclosures (TNFD) working group and a founding signatory of Nature Action 100.

The most recent UN Principles of Responsible Investment results (based on 2022 activity) awarded Mercer with 4 out of 5 stars for Policy Governance and Strategy. The United Nations Principles for Responsible Investment (UN PRI) is a global initiative that provides a framework for incorporating sustainability considerations into investment practices.

transition, and socioeconomic risks into investment decision-making.

- Investing to solve long-term systemic issues may provide opportunities to improve risk-adjusted returns.
- Effective stewardship can improve investment outcomes.

Mercer applies each of these three lenses when considering the climate transition. The climate transition is a widely recognised systemic risk and Mercer considers the transition to a low carbon economy and the physical damages associated with global temperature increases through our climate scenarios analysis, analytics for Climate Transition (ACT) framework, which considers the alignment of portfolios to the low carbon transition, and through monitoring other climate-related metrics.

Mercer has a target of net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian discretionary portfolios, and relevant multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer also established an expectation that portfolio carbon emissions intensity would reduce by 45% from 2019 baseline levels and is on track to achieve this. Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), as described in Mercer's latest [Task Force on Climate Related Financial Disclosures Status Report](#).




considerations are incorporated in a strategy's investment process as well as the manager's approach to stewardship.

Across most asset classes, Mercer ratings are reviewed during quarterly monitoring by the portfolio management teams with a more comprehensive review performed annually. In these reviews, Mercer seek evidence of positive momentum on managers' sustainability integration.

These ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee.

The Financial Reporting Council confirmed in February 2025 that MGIE will remain a signatory to the UK Stewardship Code, based on its application of the 12 principles, which is seen to represent best practice in stewardship.

As of 31 March 2025, Mercer's in-scope portfolios are on track to meet their long-term net zero portfolio carbon emissions reduction targets, with an average of -53% since baseline. (Data Source: MSCI Barra)

 <b>Approach to Exclusions</b>	 <b>Sustainability-themed investments</b>	 <b>Diversity</b>
<p>Mercer and MGIE's preference are to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions or Sensitive Topics Frameworks. Controversial weapons and civilian firearms are excluded from all multi-client equity and fixed income funds. In addition, tobacco companies and nuclear weapons are excluded from active equity and fixed income funds. Some funds have additional exclusions as outlined in their relevant product disclosures available on Mercer's <a href="#">dedicated website</a>.</p> <p>In addition, Mercer and MGIE monitors funds for high-severity incidences relating to the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.</p>	<p>An allocation to MGIE's Passive Sustainable Global Equity UCITS CCF is included within the Plan's portfolio of Growth assets (via the Mercer Diversified Growth Fund 'DGF'), with the allocation accounting for c. 11% of the Growth Portfolio.</p>	<p>Mercer and the Trustee believes that diverse teams lead to better decision-making and have therefore taken several measures to work towards reflecting this view within Mercer's portfolio management team, the teams of the appointed managers and across portfolio holdings.</p> <p>Participation in collaborative initiatives can also support raising awareness and contributing to initiatives across the broader industry.</p> <p>Mercer Limited is a member of The Diversity Project, which seeks to accelerate progress towards a more inclusive culture in the investment and savings profession.</p> <p>Mercer is also a member of the 30% Club – UK Investor Chapter and Irish Investor Chapter. The 30% Investor Chapters are investor-led initiatives that aim to increase gender diversity on corporate boards and in senior leadership positions.</p>

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Mercer considers broader forms of diversity in decision-making but currently reports on gender diversity.



## Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustee. **The 2024 Sustainability & Stewardship Report** highlights the engagement objectives which have been set, examples of engagement and the escalation process. Mercer also participates in collaborative initiatives related to stewardship.

Mercer conducts an annual survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed in the Mercer Funds. The survey gathers information on managers' broad approach to stewardship as part of their investment integration. It also seeks insights and examples of voting and engagement activities. The results from the survey serve as an important source of information for tracking and measuring managers' stewardship efforts, assessing effectiveness, and identifying potential areas for improvement.

The results and insights from the survey will be shared in Mercer's annual Sustainability and Stewardship Report. This report is noted by the Trustee providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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

The Trustee's policy, during the Plan Year, was as follows:

- Delegation of Investment Management: The Trustee delegated responsibility for the discretionary investment management of Plan assets to Mercer. The Plan's assets were invested in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acted as investment manager.
- Reporting of Engagement and Voting activities: For the Trustee to fulfil their obligations regarding voting and engagement, they require reporting on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustee assess whether the policies align with their own delegation of voting rights: Voting rights that apply to the underlying investments attached to the Mercer Funds are delegated to the third-party investment managers appointed by MGIE. MGIE accepts that these managers are typically best placed to exercise voting rights and prioritise particular engagement topics, given their detailed knowledge of the governance and operations of the investee companies. However, Mercer plays a pivotal role in monitoring the stewardship activities of those managers and promoting more effective stewardship practices, including attention to more strategic themes and topics.

- **Proxy Voting Responsibility:** Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted<sup>1</sup> in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each investment manager's stewardship capabilities (engagement and voting activities) as part of the selection process, ensuring alignment with Mercer's commitment to good governance and the integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. As such the Trustee did not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Plan's assets are invested in (via Mercer DGF) is provided for the year ending 31 March 2025. This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. The statistics are drawn from the Glass Lewis system (via the custodian of the Mercer Funds). Glass Lewis is a leading provider of governance and proxy voting services.

Fund	Total Proposals		Vote Decision					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
Mercer Passive Global Equity Fund	20,512	20,038	88%	9%	0%	2%	0%	92%	8%	1421	49%
Mercer Passive Global Equity CCF	19,974	17,412	76%	11%	0%	13%	0%	82%	18%	1422	70%
Mercer Passive Emerging Markets Equity Fund	21,886	20,352	75%	18%	3%	4%	0%	80%	20%	2545	50%
Mercer Passive Global REITS UCITS CCF	2,987	2,881	77%	19%	0%	3%	0%	78%	22%	300	71%
Mercer Passive Climate Transition Infrastructure Equity UCITS CCF	3,793	3,570	71%	23%	2%	4%	0%	75%	25%	371	69%
Mercer Passive Fundamental Indexation Global Equity	2,818	2,801	89%	10%	0%	0%	0%	91%	9%	206	65%
Mercer Passive Sustainable Global Equity UCITS CCF	16,329	15,784	77%	20%	1%	3%	0%	78%	22%	1125	79%

- "Eligible Proposals" reflect all proposals of which managers were eligible to vote on over the period
- "Proposals Voted On" reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the "Other" category)
- Vote Decision may not sum to 100 due to rounding. "No Action" reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully
- "Other" refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).
- "Meetings No." refers to the number of meetings the managers were eligible to vote at.
- "Meetings Against" refers to the no. of meetings where the managers voted at least once against management, reported as a % of the total eligible meetings.

**Significant Votes:** The Trustee has based the definition of significant votes in line with the requirements of the Shareholder Rights Directive (SRD) II and on Mercer's engagement priority themes. The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals), while considering Mercer's engagement priority themes.

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

Where available, information on next steps and plans to escalate are included in the following table.

## Most Significant Votes

Fund	Company (Holding Weight)	Meeting Date: Proposal Text (Significance Category)	Manager Vote Decision (Intention to vote against management communicated – Rationale, if available)	Proposal Outcome (Next steps to report, if any)
Mercer Passive Fundamental Indexation Global Equity	Apple Inc (7.1%)	25/2/2025 : Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	<p>Against</p> <p>(No - Apple provides several disclosures that relate to diversity and inclusion, and these disclosures appear to provide sufficient information for shareholders to evaluate the programs and policies in question.</p> <p>Apple provides its non-discrimination policies and clearly discusses its oversight of the associated risks, and this level of oversight is aligned with standard market practice.</p> <p>The proposal is overly prescriptive as it asks Apple to discontinue its current DEI policies, rather than just reporting on potential risks related to having such policies in place. In addition, there do not appear to be any controversies related to employees or employee groups at Apple being discriminated against due to the company's employee diversity initiatives.</p> <p>Although the topic of DEI has become contentious and widely reported, the company's current oversight and its level of disclosure do not raise concerns at this time. Therefore, support for this proposal is not warranted.)</p>	<p>2.3% Support</p> <p>Proposal did not pass.</p> <p>(Manager will continue to engage with the company. Given the current climate around DEI in the US, he shall monitor further developments by the company.)</p>

Meta Platforms Inc (3.6%)	29/5/2024 : Shareholder Proposal Regarding Report on Human Rights Risks in Non-U.S. Markets (Social)	Against (N/A - Meta has a corporate human rights policy in place and the board's Audit and Risk Oversight Committee manages the company's risk exposures including human rights risks. Meta has also established an independent Oversight Committee that reviews the company's content moderation policies and provides issue specific feedback to the team for redressal of concerns. While there have been instances of negative media attention, on the whole, the company has sufficient measures to evaluate and manage human rights risks related to content moderation in non-U.S. markets.)	5.5% Support Proposal did not pass. (N/A)
Meta Platforms Inc (3.6%)	29/5/2024 : Shareholder Proposal Regarding Human Rights Impact Assessment of AI Used in Targeted Advertising (Social)	For (No - Many of the risks to the company over its advertising practices come from legislation enacted to protect human rights such as the freedom to privacy. These risks appear to be growing as the European Union, and some states in the U.S., enact further legal safeguards. In the EU, the company has also faced fines and adverse legal judgments that impact its business. A third-party assessment on the company's policies and practices related to targeted advertising could help shareholders assess the company's management of human rights-related risks)	14.4% Support Proposal did not pass. (N/A – Manager will follow up in post-season engagement to verify any progress on this topic.)
Meta Platforms Inc (3.6%)	29/5/2024 : Shareholder Proposal Regarding Lobbying Activity Alignment with Net Zero Emissions Commitment (Environmental)	For (No - Meta provides limited disclosure around its direct and indirect lobbying expenditures. It also does not go into detail about how it assesses misalignment or what strategies it would use when misalignments are found. )	8.2% Support Proposal did not pass. (N/A – Manager will follow up in post-season engagement to verify any progress on this topic.)

	Alphabet Inc (5.2%)	07/06/2024 : Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (N/A - Alphabet has an EEO Policy which promotes a work environment that respects different points of view and ensures that employees are not subject to harassment, intimidation, bias, and discrimination. c) The company's current commitments, policies, and disclosures provide investors with adequate information to evaluate how the company protects against discrimination towards employees and any associated risks.)	0.2% Support Proposal did not pass. (N/A)
	Alphabet Inc (5.2%)	07/06/2024 : Shareholder Proposal Regarding Human Rights Impact Assessment of AI- Driven Targeted Advertising (Social)	For (Yes - The company is taking some steps around responsible AI use and targeted advertising. However, and as noted by the proponent, targeted advertising is critical to the company's business. b) As there has been significant regulatory, legal, and reputational scrutiny around the company's targeted-advertising practices, the requested report would help shareholders better evaluate the effectiveness of the company's management of these issues and related risks. )	18.5% Support Proposal did not pass. (Manager to follow up in post-season engagement to verify any progress on this topic.)
Mercer Passive Global Equity CCF	Apple Inc (5.0%)	25/5/2025 : Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies (Social)	Against (N/A - While the proponent argues that the company's diversity, equity, and inclusion (DEI) initiatives present litigation risks assessing disclosures it is evident that Apple has strong compliance measures and effective oversight of legal and regulatory risks. Additionally, the company maintains clear non-discrimination policies and aligns its oversight with market standards and there are no known controversies regarding employee discrimination linked to Apple's DEI efforts at the time of the AGM. Manager therefore did not support this proposal.)	2.3% Support Proposal did not pass. (Manager will continue to develop its Global Proxy Voting Guidelines and exercise voting rights to reduce portfolio risk and promote sustainable long-term outcomes, despite the contentious nature of DEI this proxy season.)

	Microsoft Corporation (4.4%)	10/12/2024 : Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production (Environmental)	For (No - A vote FOR this proposal is warranted, as shareholders would benefit from additional disclosure related to the potential risks associated with the use of the company's artificial intelligence and machine learning tools for new oil and gas development and production.)	9.7% Support Proposal did not pass. (Manager engages with Microsoft on the topic of Net Zero, deployment of advanced technology for the fossil fuel industry exposes it to material reputational, competitive, and operational risk. Manager intends to continue to monitor the company's progress on the topic or any potential amendments.)
Mercer Passive Global Equity Fund	Apple Inc (5.1%)	25/2/2025 : Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies (Social)	Against (No - The proposal did not merit support as the company's disclosures pertaining to the item are reasonable.)	2.3% Support Proposal did not pass. (Manager will continued engagement with the Issuer.)
	Microsoft Corporation (4.4%)	10/12/2024 : Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production (Environmental)	Against (No - The Stewardship Team believe the proposal did not merit support, as the company's disclosures related to social issues are reasonable.)	9.7% Support Proposal did not pass. (N/A.)
Mercer Passive Climate Transition Infrastructure Equity UCITS CCF	NextEra Energy Inc (4.1%)	23/5/2024 : Shareholder Proposal Regarding Lobbying Alignment with Climate Commitments (Environmental)	For (No - A vote in favour is applied, Manager encourages all companies to report their climate lobbying activity in line with the Global standard on responsible corporate climate lobbying.)	32.1% Support Proposal did not pass. (Climate lobbying continues to be an area of focus for Manager - it is an expectation of companies within our Climate Impact Pledge (including NextEra Energy) that Manager will disclose their including trade association memberships and explain the action the company will take if these are not aligned with a 1.5°C scenario. Manager will continue to support shareholder resolutions on this topic, and to co-file them selectively as an escalation

			<p>(as Manager did at Nippon Steel in their 2024 AGM).</p> <p>Manager believes ambitious climate policy is essential to meeting the goal of the Paris Agreement. Manager needs a supportive policy environment to ensure that all sectors of the economy can undergo an orderly transition to net zero emissions by 2050.</p> <p>Companies have a significant role to play in determining these policies. Furthermore, it is in a company's best interests for its climate and decarbonisation-related policy positions and direct and indirect lobbying activities<sup>1</sup> to be aligned with its corporate goals and the achievement of its greenhouse gas emissions reduction targets. As active owners, Managers are committed to engaging collectively and individually with companies around the world to highlight and improve their climate lobbying accountability, and to escalate this where required.</p> <p>NextEra Energy is captured under the quantitative stream of our Climate Impact Pledge - they have not been subject to vote sanctions under the Pledge, but Manager will continue to monitor their adherence to and progress against our minimum expectations on climate change.)</p>
Enbridge Inc (4.4%)	08/05/2024 : Shareholder Proposal Regarding Governance Systems for Climate and Environmental Impacts (Environmental)	<p>Against</p> <p>(No - A vote AGAINST this shareholder proposal is applied. While manager sympathise with some of the concerns raised by the proponent, this matter is already under investigation by the relevant authorities. In its disclosure documents, Enbridge has outlined the principles governing its behaviour</p>	<p>3.2% Support</p> <p>Proposal did not pass.</p> <p>(Starting next year, the manager will file shareholder resolutions to pressure companies that do not present ambitious and credible transition plans for a shareholder vote, likely in collaboration with Climate Action 100+.)</p>

		and standards of conduct and discloses an oversight structure in place for adherence to these principles. The proponent's request that the company produce a report examining how its governance systems are functioning in light of the alleged claims is vague and does not address how Enbridge should go about producing the report.)	
Enbridge Inc (4.4%)	08/05/2024 : Shareholder Proposal Regarding Disclosure of All Material Scope 3 Emissions (Environmental)	For (No - A vote FOR this proposal is applied as the manager expects companies to introduce credible energy transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emission.)	27.3% Support Proposal did not pass. (Starting next year, the manager will increase pressure on companies that fail to present suitably ambitious and credible transition plans for a shareholder vote by filing shareholder resolutions, likely in conjunction with Climate Action 100+.)
Canadian Pacific Kansas City Limited (4.0%)	24/4/2024 : Shareholder Proposal Regarding Paid Sick Leave (Social)	For (No - A vote in favour is applied as this issue may pose a real health risk to employees, which may affect employee retention, and it is important that the company considers these risks and what steps they can take to help their employees.)	13.4% Support Proposal did not pass. (The background to this voting decision begins in 2022. Human capital issues represent risk to a company's operations, whether it be through heightened attrition or decreased productivity. In 2022, manager held a series of engagements and signed investor letters directed at companies that lacked paid sick leave and could benefit from providing it. In the latter half of that year, manager zeroed in on the railway industry given the unique situation that the industry was facing. Throughout 2022, hundreds of thousands of railway workers were in the midst of negotiating contract terms with the largest railway companies in the US to improve working conditions. The salient point of contention was that around the lack of paid sick leave. However, those negotiations fell flat. This was relevant to us as investors because the

				<p>contention nearly led to a nationwide strike that would have crippled the nation's supply chain and posed a material systemic risk. Since the government-mediated deal excluded sick leave, Manager wrote to the four largest railway carriers in the US – Norfolk Southern, Union Pacific, BNSF, and CSX. Manager aggregated approximately 146 to 148 other investors per letter, with around US\$1 trillion in additional assets under management, to come on board as signatories. In the letter manager specified the importance of paid sick leave in the face of post-pandemic labour dynamics as well the types of disclosures investors would find helpful, such as the types of benefits available, the usage of such benefits, employee eligibility criteria, and others. Manager had correspondence with CSX and Norfolk Southern via email and have maintained an ongoing dialogue.</p> <p>Eventually, one by one, the company's manager contacted reignited negotiations with their workforces. Those negotiations led to deals being struck by three out of the four railways – leading to thousands of railway workers obtaining paid sick leave as a benefit. While Canadian Pacific Kansas City was not one of the companies manager wrote to, manager will continue to support shareholder resolutions requesting paid sick leave as we believe that this issue is financially material for these companies.)</p>
Mercer Passive Sustainable	Apple Inc (6.5%)	25/5/2025 : Shareholder Proposal Regarding Abolishing Inclusion and	Against (No - The company provides several disclosures that relate to diversity and inclusion, and these	2.3% Support Proposal did not pass.

Global Equity UCITS CCF		Diversity Program and Policies (Social)	disclosures appear to provide sufficient information for shareholders to evaluate the programs and policies in question. In addition, the company clearly provides its non-discrimination policies, it clearly discusses the board and management's role in oversight of the associated risks, and there do not appear to be any controversies related to employee diversity initiatives discriminating against employee groups at the company specifically.)	(Manager will continue to vote in line with their published policies and positions.)
	Microsoft Corporation (7.0%)	10/12/2024 : Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production (Environmental)	Against (No - A vote AGAINST this resolution is warranted. The concerns by the proposal raised do not present significant material risks at this time. The company provides sufficient disclosure on its approach to providing services to energy sector customers.)	9.7% Support Proposal did not pass. (N/A.)

**Note** – These funds, namely the **Mercer Passive Global REITS UCITS CCF** and **Mercer Passive Emerging Markets Equity Fund** do not have any votes deemed to be significant based on our definition of significant votes. Our definition specifically focuses on Mercer's Global Engagement Priority Themes, during the Plan Year.