Engagement Policy Implementation Statement for the Year Ended 05 April 2023

Scientific Games International Pension Plan ("the Plan")

1. INTRODUCTION

This Engagement Policy Implementation Statement (the Statement) sets out the Trustees' assessment of how, and the extent to which, they have followed their engagement policy and their policy with regard to the exercise of rights (including voting rights) attaching to the Plan's investments during the one-year period to 05 April 2023 (the "Plan Year"). The Trustees' policies are set out in their Statement of Investment Principles (SIP) dated October 2021. A copy of the Trustees' SIP is available at https://v3.merceroneview.co.uk/SGIPENSIONPLAN/pensions

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

The Trustees invest the assets of the Plan in a fiduciary arrangement with Mercer Limited (Mercer). Under this arrangement Mercer are appointed as a discretionary investment manager and day-today management of the Plan's assets is by investment in a range of specialist pooled funds (the Mercer Funds). Management of the assets of each Mercer Fund is undertaken by a Mercer affiliate, Mercer Global Investments Europe Limited (MGIE) and Mercer Alternatives (Luxembourg) S.à r.l. (PIP VI).

MGIE are responsible for the appointment and monitoring of suitably diversified portfolio of specialist third party investment managers for each Mercer Fund's assets.

The publicly available Sustainability Policy sets out how Mercer addresses sustainability risks and opportunities and considers Environmental, Social and Corporate Governance (ESG) factors in decision making across the investment process. The Stewardship Policy provides more detail on Mercer's beliefs and implementation on stewardship specifically. Under these arrangements, the Trustees accept that they do not have the ability to directly determine the engagement or voting policies or arrangements of the managers of the Mercer Funds. However, the Trustees have reviewed these policies and note an awareness of engagement topics that are important to the Plan and integrating the Trustees views on specific themes, where possible, is an important part of Mercer's Fiduciary duty. Mercer's Client Engagement Survey aims to facilitate this by assessing the level of alignment between Mercer's engagement priority areas and those of the Trustees, while highlighting additional areas of focus which are important to the Trustees. The Trustees review regular reports from Mercer with regard to the engagement and voting undertaken on their behalf in order to consider whether the policies are being properly implemented.

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

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

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

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

Policy Summary

Mercer and the Trustees believe stewardship plays an important role in managing sustainability risks and other ESG factors, and helps the realisation of long-term value by providing investors with an opportunity to enhance the value of companies and markets consistent with long-term investor timeframes. Consequently, an approach that integrates effective stewardship is in the best interests of the Plan. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities, including non-financial performance that require the Trustees' explicit consideration.

The Trustees' policy of ensuring more effective stewardship practices is promoted by its delegation to Mercer under a fiduciary mandate. It is the Trustees' policy that the third party investment managers appointed by Mercer, via Mercer Global Investments Europe (MGIE), report in line with established best practice such as the UK Stewardship Code 2021, to which Mercer is a signatory, including public disclosure of compliance via an external website, when managing the Plan's assets. Further, in appointing the third party asset managers, the Trustees expect MGIE to select managers where it believes the managers will engage directly with issuers in order to improve their financial and non-financial performances over the medium to long term. To monitor the third party investment managers' compliance with this expectation, the Trustees consider regular reports from Mercer that include an assessment of each third party manager's engagement activity. As a result, the Trustees benefit from the oversight of the third party managers provided by Mercer, via MGIE, which helps support the implementation of the policy. It is also noted that Mercer and MGIE's evaluation of investment manager mandates seeks to ensure compliance with their commitment to good governance and this is reflective of the Trustees' policy.

Should the Trustees consider that Mercer, MGIE or the third party asset managers, have failed to align their own engagement policies with those of the Trustees, the Trustees will notify Mercer and consider disinvesting some or all of the assets held in the Mercer Funds and/or seek to renegotiate commercial terms with Mercer.

How the Policy has been implemented over the Plan Year

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

Policy Updates

The **Trustees** consider how ESG, climate change and stewardship is integrated within Mercer's, and MGIE's, investment processes and those of the underlying asset managers in the monitoring process. Mercer, and MGIE, provide reporting to the **Trustees** on a regular basis.

The Mercer Sustainability Policy is reviewed regularly. In March 2021 there was an update in relation to the Sustainable Finance Disclosure Regulation (SFDR) implementation. In August 2022 the policy update reflected enhancements to the approach to climate change modelling and transition modelling, additional detail on how the policy is implemented, monitored and governed and, as part of the commitment to promote diversity, finalising MGIE's signatory status to the UK chapter of the 30% Club.

In line with the requirements of the EU Shareholder Rights Directive II, Mercer have implemented a standalone Stewardship Policy to specifically address the requirements of the directive. This Policy was also updated in August 2022 to reflect enhancements made to Mercer's stewardship approach including an introduction of Engagement Dashboards and Trackers, an enhanced UN Global Compact engagement and escalation process and a Client engagement survey.

UN Principles of Responsible Investing scores for 2021 (based on 2020 activity) were issued over Q3

Climate Change Reporting and Carbon Foot-printing

Mercer and the **Trustees** believe climate change pose**s a systemic risk and** recognise that limiting global average temperature increases this century to "well below two degrees Celsius", as per the 2015 Paris Agreement, is aligned with the best economic outcome for long-term diversified investors. Mercer supports this end goal and is committed to achieving net-zero absolute carbon emissions by 2050 for UK, European and Asian clients with discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer plans to reduce portfolio relative carbon emissions by at least 45% from 2019 baseline levels by 2030. This decision was supported by insights gained from Mercer's Investing in a Time of Climate Change (2015 and 2019) reports, Mercer's Analytics for Climate Transition (ACT) tool and advice framework, and through undertaking climate scenario analysis and stress testing modelling.

Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), including the Mercer Investment Solutions Europe - Investment Approach to Climate Change 2022 Status Report. As at 31 December 2022 Mercer are on track to reach our long-term net zero portfolio carbon emissions target. There has been a notable 16%

ESG Rating Review

Where available, ESG ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the **Trustees**. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually - which seeks evidence of positive momentum on ESG integration and compares the Mercer funds overall ESG rating with the appropriate universe of strategies in Mercer's Global Investment Manager Database (GIMD). Engagements are prioritised with managers where their strategy's ESG rating is behind that of their peer universe.

As at 31 December 2022, in the Annual Sustainability Report provided by Mercer, the **Trustees** noted over 20% of Mercer's funds have seen an improved ESG rating over the year and the vast majority have a rating ahead of the wider universe. Due to the nature of certain strategies, they do not have an ESG rating (i.e. are N rated) and are therefore excluded from this review. Please see Mercer's Guide to ESG Ratings for more information https://www.mercer.com/our-thinking/mercer-esg-ratings.html

2022. Mercer were awarded top marks for over-the arching Investment and Stewardship Policy section, underpinned by strong individual asset class results.

reduction over the 3 years since 2019 baseline levels, resulting in the 45% baseline-relative reduction by 2030 being within range.

Approach to Exclusions

As an overarching principle, Mercer and MGIE prefer an approach of positive engagement rather than negative divestment. However Mercer and MGIE recognises that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions will be appropriate.

Controversial weapons are excluded from active equity and fixed income funds, and passive equity funds. In addition tobacco companies (based on revenue) are excluded from active equity and fixed income funds. **The Mercer sustainability-themed funds have additional exclusions, for example covering gambling, alcohol, adult entertainment and fossil fuels.**

Mercer expanded exclusions to further promote environmental and social characteristics across the majority of the multi-client building block funds over the second half of 2022, in line with EU SFDR Article 8 classification, as well as aligning Mercer's existing active and passive exclusions across their fund range.

In addition, Mercer and MGIE monitors for high-severity breaches of the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

Sustainability-themed investments

An allocation to Sustainable Equities and Sustainable Opportunities (private markets) is included within the Plans portfolio of Growth assets, with the strategic allocation to Sustainable Equities now accounting for c.8.5% of the Growth Portfolio.

A detailed standalone report sustainability monitoring report is produced for the active Sustainable Global Equity fund on an annual basis, including a more granular breakdown of the fund against ESG metrics, for example the UN Sustainability Development Goals.

The actively managed Mercer Sustainable Global Equity Fund includes an impact investing strategy employing fundamental analysis to target companies that aim to achieve a positive Environmental and Social Impact. The strategy is diversified across multiple themes including health and sanitation, affordable housing, education and cyber security

Diversity

From 31 December 2020, gender diversity statistics have also been included in the quarterly reporting for the Mercer equity funds and this is being built into a broader Mercer Investment Solutions International policy on Diversity, Equity and Inclusion, sitting alongside Mercer's established Diversity Charter.

Mercer consider broader forms of diversity in decision-making, but currently report on gender diversity. As at 31 December 2022, 36% of the Key Decision Makers (KDM's) within Mercer IS team are non-male, and Mercer's long term target is 50%.

In Q3 2022 MGIE was confirmed as a signatory of the UK Chapter of the 30% Club.

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

Policy

The Trustees' policy of ensuring more effective stewardship practices is promoted by its delegation to Mercer under a fiduciary mandate. The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the third party investment managers appointed by Mercer on the Trustees' behalf. In doing so, the Trustees believe that Mercer and MGIE are best placed to exercise the voting rights to promote those stewardship practices.

This is because any voting rights that do apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third party investment managers appointed by MGIE. In delegating these rights, MGIE accepts that managers are typically best placed to exercise voting rights and prioritise particular engagement topics by security, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, Mercer has a pivotal role in monitoring their stewardship activities and promoting more effective stewardship practices, including ensuring attention is given to more strategic themes and topics. As such, proxy voting responsibility is given to listed equity investment managers with an expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting, as part of the selection process to ensure it is representing Mercer's commitment to good governance and integration of sustainability considerations . Managers are expected to take account of current best practice such as the UK Stewardship Code 2021, to which Mercer is a signatory. As such the Trustees do not use the direct services of a proxy voter.

In summary, the Trustees benefit from the oversight of the third party managers provided by Mercer which helps support the implementation of the Trustees' policy. It is also noted that Mercer's evaluation of investment manager mandates seeks to ensure compliance with their commitment to good governance and this is reflective of the Trustees' policy.

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

Set out below is a summary of voting activity for the year to 05 April 2023 for a range of Mercer Funds that the Plan's assets are invested in (we do not have overall voting statistics for all the Plan assets but have included these for completeness). This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. The statistics set out in the table below are drawn from the Glass Lewis voting system (via Mercer's custodian). Typically, votes exercised against management can indicate a thoughtful and active approach. This is particularly visible where votes have been exercised to escalate engagement objectives. The expectation is for all shares to be voted.

Fund	Total Proposals		Vote Decision					For/Against Mgmt	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against
Mercer Global Listed Infrastructure Fund	535	497	81%	11%	7%	1%	0%	85%	15%
Mercer Global Small Cap Equity Fund	6,342	6,201	91%	6%	1%	2%	0%	92%	8%
Mercer Low Volatility Equity Fund	8,239	8,083	91%	7%	0%	1%	0%	92%	8%
Mercer Multi-Asset Credit Fund (1)	11	11	91%	9%	0%	0%	0%	91%	9%
Mercer Passive Global REITS UCITS CCF	3,117	2,982	79%	16%	0%	4%	0%	79%	21%
Mercer Sustainable Global Equity Fund	6,130	6,001	86%	11%	1%	1%	0%	88%	12%
MGI Emerging Markets Equity Fund	7,793	7,527	82%	14%	3%	0%	0%	84%	16%
MGI Eurozone Equity Fund	4,721	4,610	85%	12%	2%	0%	0%	86%	14%
MGI UK Equity Fund	1,082	1,081	99%	1%	0%	0%	0%	99%	1%
Mercer China Equity Fund	547	544	94%	6%	1%	0%	0%	94%	6%

(1) Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund's underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

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

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

1. The proposal topic relates to an Engagement Priority (climate change, human/labour rights, and diversity). This is classified in the "Proposal Description" column below, referenced as Environmental, Social, and Governance respectively.

2. The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals).

Most Significant Votes

Mercer Global Listed Infrastructure Fund			
Proposal Description	Environmental: Shareholder Proposal Regarding Medium-Term Targets For Scope 3 GHG Emissions	Environmental: Shareholder Proposal Regarding Report on Stranded Asset Risk	Environmental: Approval of Net Zero Transition Report
Company	Dominion Energy Inc		SSE Plc.
Holding Weight[1]	5%		3%
Meeting Date	11-May-22		21-Jul-22
Vote Decision[2]	Against	For	For
Vote Outcome	16%	75%	98%
Fund Vote Rationale	In December 2021 the manager engaged with Dominion Energy's management on Scope 3 emissions targets. During this meeting, the company confirmed that they were looking into the next steps on how Scope 3 emissions targets could be set. Given the complexity of this topic, and as the manager was already in active discussion with the company on it, they felt it was reasonable to allow the company time to set meaningful targets rather than supporting this Proposal.	This Proposal involved consolidating information that was already being provided by the company into a single report, making it more easily accessible. The manager believed that this request was reasonable, and therefore voted in favour of the Proposal.	In general, the manager believes that proposals seeking approval of a company's climate strategy challenge the basic premise of corporate governance, which dictates that shareholders should elect the board and the board should oversee management and the execution of the company's strategy. However in this case, the managers had a positive view of the climate change-related measures taken by SSE, and of the disclosure provided by the company on this topic. SSE has committed to Net Zero across all its operations by 2050 at the latest, covering scope 1, 2 and 3 GHG emissions. These ambitions are supported by a series of interim targets approved by the Science Based Targets Initiative (SBTi). The manager also noted that in the event of a significant vote against this proposal, the company intends to undertake a process of shareholder outreach, inform shareholders of the results of that process, and announce intended measures to take those reservations into account.
Pre-comms.[3]	Not applicable	No	Not applicable
Next steps	Manager will continue to engage with Dominion to encourage them to set appropriate and meaningful Scope 3 emissions targets.	Manager will continue to encourage and support improved disclosure on a broad range of RI-related topics by companies within our opportunity set.	Manager will continue to encourage SSE to accelerate progress on climate change mitigation action and disclosure. Manager has ongoing dialogue with the company on a range of RI-related topics including net zero, biodiversity, and the deployment of capital.

Mercer Global Small Cap Equity Fund			
Proposal Description	Environmental: Advisory vote on Climate Transition Plan	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Social: Shareholder Proposal Regarding Policy on Freedom of Association
Company	Centrica plc	Tesla Inc	
Holding Weight[1]	<1%	<1%	
Meeting Date	07-Jun-22	04-Aug-22	
Vote Decision[2]	For	Against	Against
Vote Outcome	79%	34%	32%
Fund Vote Rationale	The main reasons for support are (1) although a complete schedule of comprehensive short, medium and long-term emissions reduction targets has not been provided, there are a range of timelines and targets, and the Company made a public commitment to get near-term targets approved by the Science Based Targets Initiative (SBTi); and (2) other positive aspects include the commitment to the TCFD recommendations and the intention to regularly (every three years) provide shareholders with an advisory vote on climate at future AGMs.	Manager opposed the resolution, noting Tesla's core mission is to accelerate the world's transition to sustainable energy and its business strategy is in alignment with the Paris Agreement. The manager felt additional disclosures would be a burdensome with no real benefit to shareholders.	Manager opposed the resolution, noting these rights are enshrined in the National Labor Relations Act and felt, like any US company, Tesla must comply with the law and this is not a matter for company policy.
Pre-comms.[3]	Not applicable	Not applicable	Not applicable
Next steps	A vote FOR this resolution was considered warranted although the manager noted it was not without concern for the following reason: The Company has not provided its short-term targets, raising concerns on the stretch of these targets. Having reduced the scale of its oil and gas exploration and production (E&P) activities during the year, the Company has already materially reduced its emissions compared to 2019.	No next steps. While the manager has been supportive of similar proposals put forward at other US holdings, they do not believe there is the same rationale for supporting at Tesla. The manager expressed they are of any concerns that Tesla are executing their strategy in contravention of the Paris Agreement.	While manager did not support this resolution, they do continue to monitor Tesla's approach and engage with them on issues relating to employee rights. Human capital management, human rights and employee rights have been important themes in their engagements with Tesla and will continue to be.

Mercer Low Volatility Equity Fund (1/2)			
Proposal Description	Social: Shareholder Proposal Regarding Human Rights Impact Assessment Report	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Environmental: Shareholder Proposal Regarding Report on Physical Risks of Climate Change
Company	Alphabet Inc		
Holding Weight[1]	2%		
Meeting Date	01-Jun-22		
Vote Decision[2]	For	For	For
Vote Outcome	23%	19%	18%
Fund Vote Rationale	Managers voted "For" this proposal as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Managers voted "For" this proposal as the company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, in light of risks to the company caused by climate change and the company's public position.	Managers voted "For" this proposal as shareholders would benefit from increased disclosure regarding how the company is assessing and managing climate change risks.
Pre-comms.[3]	No	No	No
Next steps	None to report	None to report	None to report

Mercer Low Volatility Equity Fund (2/2)		
Proposal Description	Environmental: Advisory Vote on Approach to Climate Change	Social: Shareholder Proposal Regarding Report on Hiring Practices
Company	Canadian Pacific Kansas City Limited	Microsoft Corporation
Holding Weight[1]	1%	3%
Meeting Date	27-Apr-22	13-Dec-22
Vote Decision[2]	For	Against
Vote Outcome	87%	11%
Fund Vote Rationale	CPKC has a decarbonisation target across Scope 1, 2 and 3 locomotive operations to reduce emissions intensity 38.3% by 2030. The near-term target is approved by SBTi and aligned with a temperature pathway of well-below 2°C. The manager noted that the temperature alignment is inconsistent with the 1.5°C guidance stipulated in their policy. However, the manager has reviewed the company's climate strategy and engaged with management to encourage target alignment with 1.5°C.	Managers voted AGAINST this resolution, noting that the company has implemented the main requests of the Fair Chance Business Pledge and is disclosing sufficient information for shareholders to be able to assess the impact of its various diversity and inclusion initiatives.
Pre-comms.[3]	Not applicable	Not applicable
Next steps	None to report	None to report

Mercer Passive Global REITS UCITS CCF			
Proposal Description	Environmental: Approval of Climate Change Ambitions and Targets	Environmental: Approval of Climate Transition and Biodiversity Preservation	Environmental: Opinion on Ambition to Fight Climate Change
Company	Carmila	Icade	Mercialys
Holding Weight[1]	<1%	<1%	<1%
Meeting Date	12-May-22	22-Apr-22	28-Apr-22
Vote Decision[2]	For	For	Against
Vote Outcome	98%	99%	79%
Fund Vote Rationale	A vote FOR is warranted as the company commits to Net Zero on Scope 1 and Scope 2 by 2030 (SBT approved) and Net Zero on all scopes by 2040 with 90% reduction of GHG emissions and 10% compensation.	A vote FOR this proposal was warranted, as the company presented a 1.5°C trajectory Net Zero ambition with short-, medium- and long-term targets and a detailed roadmap to achieving its goals for this decade. The level of transparency and the governance structure for addressing and dealing with the climate topics appeared robust. The company notably commits to an advisory vote on this matter on a yearly basis. We will keep the company's progress in obtaining SBTi approval for its targets under review.	Climate change: A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
Pre-comms.[3]	Not applicable	Not applicable	No
Next steps	The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.	The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.	The manager will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress. The manager will continue to assess companies' transition plans in line with their minimum expectations and assess their progress across E, S and G factors.

Mercer Sustainable Global Equity Fund (1/2)			
Proposal Description	Social: Shareholder Proposal Regarding Human Rights Impact Assessment Report	Environmental: Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	Environmental: Shareholder Proposal Regarding Report on Physical Risks of Climate Change
Company	Alphabet Inc		
Holding Weight[1]	2%		
Meeting Date	01-Jun-22		
Vote Decision[2]	For	For	For
Vote Outcome	23%	19%	18%
Fund Vote Rationale	The manager voted FOR this proposal as enhanced assessment would provide meaningful disclosure and potentially improve understanding of the impact of the company's operations and/or activities on compliance and protection of human rights.	The manager voted FOR this proposal as the company and its shareholders are likely to benefit from a review of how the company's and its trade associations' lobbying positions align with Paris Agreement, in light of risks to the company caused by climate change and the company's public position.	The manager voted FOR this proposal given the company and shareholders may benefit from additional disclosure regarding the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
Pre-comms.[3]	No	No	No
Next steps	None to report	None to report	None to report

Mercer Sustainable Global Equity Fund (2/2)		
Proposal Description	Environmental: Shareholder Proposal Regarding Report on GHG Targets and Alignment with Paris Agreement	Social: Shareholder Proposal Regarding Report on Hiring Practices
Company	American Water Works Co. Inc.	Microsoft Corporation
Holding Weight[1]	1%	3%
Meeting Date	11-May-22	13-Dec-22
Vote Decision[2]	Mixed	Mixed
Vote Outcome	88%	11%
Fund Vote Rationale	While managers were generally supportive of the Company disclosing medium- and long-term GHG targets aligned with the Paris Agreement, the proposal was ultimately withdrawn prior to the meeting.	For (2): Managers who voted FOR this proposal were supportive of seeing this issue further addressed in the company's forthcoming racial equity audit (results due in 2023). Against (2): Managers who voted against felt this proposal did not merit support as the company's disclosure and/or practices pertaining to the item are already reasonable.
Pre-comms.[3]	Not applicable	No
Next steps	None to report	Managers are coordinating engagements with Microsoft on relevant ESG issues, and are also monitoring the company's response to shareholders on this proposal.

MGI Eurozone Equity Fund			
Proposal Description	Environmental: Approval of Climate Strategy, Targets and Progress 2022	Environmental: Opinion on Climate Transition Strategy	Environmental: Opinion on 2022 Sustainability and Climate Progress Report
Company	Barclays plc	Engie	TotalEnergies SE
Holding Weight[1]	1%	1%	2%
Meeting Date	04-May-22	21-Apr-22	25-May-22
Vote Decision[2]	For	For	For
Vote Outcome	80%	86%	84%
Fund Vote Rationale	A vote FOR this item is considered warranted, although it is not without concern for shareholders. The Company has not committed to further Say on Climate votes. The Company's approach to financed emissions has been the subject of criticism. Concerns are raised with the Company's approach to the target range in respect of power, cement and steel, given that, while the higher end of the range is in line with the IEA NZE, the lower end would not meet expectations. As flagged in last year's report, the Company's restrictive policies, especially as they relate to thermal coal and the expansion of oil and gas, require further improvement to be in line with expectations and with the Company's overarching net zero climate ambitions. The main reasons for support are the Company has a track-record of responding to shareholders on climate concerns. The decision to put a Say on Climate vote to shareholders is further proof of this. While ISS typically flags the benefit of an annual vote given the quickly evolving nature of this space, the Company's responsiveness to shareholder concerns helps to mitigate concerns that this will act as a one-off vote on the Company's climate response. The Company has made clear progress and has set clear targets in the short-to-medium term on its ambition to have net zero operations and reduce supply chain emissions. Improvements have been made on the Company's approach to financed emissions, with new IEA NZE 2050-derived targets in four key sectors, and further targets committed to in future years.	Managers felt a vote FOR this item was warranted although the following concerns are raised:- The company does not provide a detailed plan further than 2030;- The company does not commit to a regular shareholders' say-on-climate;- The company's greenhouse gas emissions are on the raise with no short-term commitment to overturn this trend. The main reasons for support are:- The company's ambition is Paris-Aligned on full scope by 2045, with an ambition to go beyond that;- The company provides a detailed action roadmap by 2030;- The level of transparency is in line with peers;- The governance structure for addressing and dealing with the climate topics appears robust.	A vote FOR this item is warranted as the following concerns are raised but it is not without any concerns for shareholders:- Considering announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal. Support is warranted as:- The company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030;- The company pursues its investments in alternative sources of energy and CCS technology;- The company committed to disclose absolute targets for GHG emissions covering all activities, the evolution of the energy mix and targeted production volumes, the potential contribution of CCS technology, and the work of assessment carried out by the independent third party; and- The company committed to propose a shareholders' vote at each AGM its sustainable and climate report and progress.
Pre-comms.[3]	Not applicable	Not applicable	Not applicable
Next steps	None to report	None to report	The manager noted ISS's comment for the next meeting: Considering announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal.

MGI UK Equity Fund			
Proposal Description	Environmental: Approval of Climate Action Plan	Environmental: Endorsement of Pathway to Net Zero	Environmental: Shareholder Proposal Regarding Fossil Fuel Financing
Company	Rio Tinto plc	Standard Chartered plc	
Holding Weight[1]	4%	2%	
Meeting Date	08-Apr-22	04-May-22	
Vote Decision[2]	Against	For	Against
Vote Outcome	82%	83%	12%
Fund Vote Rationale	We opposed the climate action plan. We think the company can do more to address its lifecycle emissions, including setting ambitious medium and long-term scope 3 targets. We encouraged Rio Tinto to lead the mining and minerals industry by setting stretching scope 3 emissions reduction targets.	After engagement with the company we believe the company's own net zero plan to be appropriate, and therefore supported the management resolution.	We opposed a shareholder resolution to implement a revised net zero plan. After engagement with the company we believe that the company's own net zero plan to be appropriate.
Pre-comms.[3]	Yes	Not applicable	Not applicable
Next steps	None to report	None to report	None to report

1- Approximate size of the holding in the Fund as at the date of the vote. Size at the end of the relevant quarter.

2- Fund Vote Decision. “Mixed” refers to occasions were underlying managers have voted differently for the same proposal. Vote decisions of this nature are monitored and fed into the wider engagement process with managers. In this case, two managers voted “For” and two managers voted “Against” the proposal.

3- The Manager was asked "if voted against management recommendation, did you communicate intentions prior", therefore if the Vote Decision was in line with management's recommendation, the response is not applicable.