

# DS Smith Group Pension Scheme (“the Scheme”)

## Annual Implementation Statement for the Year Ended 30 April 2024

### 1. INTRODUCTION

This Implementation Statement (known as the Statement) presents the Trustee's assessment of their adherence to the policies attaching to the Scheme's investments, set out in the Scheme's Statement of Investment Principles (“SIP”), throughout the one-year period ending 30 April 2024 (the “Scheme Year”). The SIP was last reviewed in September 2023 to reflect the latest investment strategy and ESG views of the Trustee and Mercer. A copy of the Trustee's SIP is available on request and online [here](#).

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.

The Trustee invests the Defined Benefit (“DB”) assets of the Scheme in a fiduciary arrangement with Mercer Limited (“Mercer”). Under this arrangement Mercer are appointed to provide consulting services, discretionary investment manager services and day-to-day management of the Scheme's assets 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)<sup>1</sup>. 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 Trustee has also appointed an external investment consultant, Barnett Waddingham, to provide ongoing oversight and advice around Mercer's role as the Fiduciary Manager.

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.

Mercer's publicly available Sustainability Policy outlines how it addresses sustainability risks and opportunities, incorporating Environmental, Social and Corporate Governance (“ESG”) factors into the decision making across process. The Stewardship Policy provides further details on Mercer's beliefs and implementation of stewardship practices. Under these arrangements, the Trustee accepts that where multi-client funds are used 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 Scheme does use a bespoke multi-asset fund and the Trustee has made Mercer aware that they expect Mercer to manage its assets in a manner, as far as is practicably possible, that is consistent with the Trustee's engagement policy and their policy with regard to the exercising of rights attaching to the Scheme's investments. The Trustee reviews regular reports from Mercer with regard to the engagement and voting undertaken on their behalf in order to consider whether their policies are being properly implemented.

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<sup>1</sup> Due to the nature of private markets, investment voting information is not available for the PIP funds.

Mercer's Client Engagement Survey aims to integrate the Trustee's perspectives on specific themes by evaluating the alignment between Mercer's engagement priority areas and those of the Trustee. Additionally, the survey highlights areas of focus that hold importance to the Trustee. The Trustee regularly reviews reports from Mercer regarding the engagement and voting activities conducted within the Mercer Funds to assess the alignment of these with their own.

The Trustee invests the Defined Contribution ("DC") and Additional Voluntary Contribution ("AVC") assets with Utmost Life and Pensions and Scottish Friendly Assurance Society who are also responsible for appointing the third-party managers.

Section 2 of this Statement sets out the investment objectives of the Scheme and changes which have been made to the SIP during the Scheme Year.

Sections 3 to 6 of this Statement also sets out how, and the extent to which, the policies in the Trustee's SIP for the Scheme have been followed.

Sections 7 and 8 include information on the engagement and key voting activities of the underlying asset managers within the Scheme.

### **Assessment of how the Trustee's policies in the SIP have been followed during the Scheme Year**

In summary, it is the Trustee's view that the policies in the SIP (which was in place during the Scheme Year) have been followed during the Scheme Year.

## **2. STATEMENT OF INVESTMENT PRINCIPLES**

### **Investment Objectives of the Scheme**

The Trustee believes it is important to consider the policies in place in the context of the objectives it has set.

#### **DB Assets**

The Trustee's primary objective is to act in the best interest of its members and ensure that the obligations to the beneficiaries of the Scheme can be met. To guide it in its strategic management of the assets and control of the various risks to which the Scheme is exposed, the Trustee has considered its objectives and adopted the following objectives:

- The need to protect the security of members' accrued rights
- The desire to control the costs of benefits by preserving the Scheme's wealth
- A desire to limit volatility in the contribution rate as a result of any failure of the investment strategy
- To target the Scheme being 105% funded on a gilts +0.5% p.a. funding basis (the "lower risk basis") by 2035.

The SIP was updated in September 2023, but there was no change in the Trustee's overarching DB investment objectives, other than the funding target which changed from being 100% funded on a gilts+0.25% p.a. basis to being 105% funded on a gilts+0.5% funding basis by 2035.

## **DC Assets and AVCs**

The Trustee's primary objective is to act in the best interest of its members. The investment profile of the funds available should be consistent with the needs of the members and are reviewed on a regular basis.

## **3. INVESTMENT MANDATES**

### **Realisation of investments**

#### **DB Assets**

##### **Policy**

The Trustee's policy is that there should be sufficient liquidity within the Scheme's assets to meet short term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the Scheme's overall investment policy. Further details are set out in the following sections of the SIP:

- Realisation of Investments (SIP Section 6)
- Cash Flow Management and Rebalancing (SIP Section 7)

##### **How has this policy been met over the Scheme Year?**

The majority of the Scheme's assets are invested in daily-dealt pooled fund investment arrangements many of which distribute cashflows on a regular basis. These pooled investment arrangements are themselves regulated and underlying investments are mainly invested in regulated markets. Where pooled investment arrangements do not invest assets in regulated markets, these are not expected to account for a material proportion of assets. Therefore, assets should be realisable at short notice, based on member and Trustee's demand.

Where more illiquid assets are used, their size is carefully considered as a proportion of total assets. The Trustee continues to delegate responsibility for the monitoring and rebalancing of the Scheme's asset allocation to Mercer. Where investments or disinvestments were arranged during the year, the policies stipulated within the relevant appointment documentation have been followed.

### **DC Assets and AVC Assets**

Most of the assets are invested in daily dealt funds (with the exception of the With-Profit policies) which can also be realised easily if required by a member.

## **4. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE**

### **Financial and non-financial material considerations and how those considerations are taken into account in the selection, retention and realisation of investments**

#### **DB Assets Policy Summary**

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, stewardship and climate change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

To establish the Trustee's beliefs and produce the policy in the SIP, the Trustee has previously undertaken training provided by its investment consultant, Mercer, on responsible investment which covered ESG factors, stewardship, climate change and the approach taken by Mercer. These beliefs were re-confirmed during the year as the Trustees undertook a Responsible investment Total Evaluation (RITE) for the Scheme in February 2024. This RITE analysis helps the Trustee assess how effectively they have integrated ESG best practices against each of Mercer's Sustainable Investing Pathway categories: philosophy, policy, process, and portfolio. The Trustee re-confirmed that whilst it will allow and consider non-financial factors its focus is on having enough assets to pay benefits when due. A formal documented review of Mercer's approach to sustainability is undertaken at least annually.

The Trustee recognises the conflict of interest which may arise in the context of responsible investment. Mercer, MGIE and Mercer Alternatives (Luxembourg) S.à r.l. make investment decisions with the aim of improving long-term risk adjusted returns and assesses whether selected sub-investment managers have policies and procedures that manage conflicts in relation to stewardship.

The Trustee is willing to hear from the members on their views on the selection, retention, and realisation of investments from an ESG and climate change perspective.

The Trustee established a new credit portfolio at the start of the year which allows it to explicitly integrate ESG and sustainability-related considerations via investment restrictions and targets, such as the aim of achieving "net zero" by 2050, as part of the Scheme's wider ESG considerations.

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

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

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### Policy Updates

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

The Mercer [Sustainability Policy](#) is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling section is now detailed in the standalone Task Force on Climate Related Financial Disclosures (TCFD) [report](#).

In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer has implemented a standalone [Stewardship Policy](#) to specifically address the requirements of SRD II. SRD II is a regulatory framework aimed at enhancing shareholder rights and improving corporate governance within the European Union.

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 environmental, social, and

### Climate Change Reporting and Carbon Footprinting

Mercer and the Trustee believes climate change poses a systemic risk, with financial impacts driven by two key sources of change:

1. The physical damages expected from an increase in average global temperatures
2. The associated transition to a low-carbon economy

Each of these changes presents both risks and opportunities to investors. Mercer therefore considers the potential financial impacts at a diversified portfolio level, in portfolio construction within asset classes, and in investment manager selection and monitoring processes.

Over the year the Trustee produced a TCFD report and set an explicit climate reduction target for one of its corporate bond portfolios. It will monitor compliance annually.

### Mercer Ratings

Stewardship and active ownership form an important part of Mercer's ratings framework applied during the manager research process.

Mercer's ratings include an assessment of the extent to which ESG factors 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' ESG 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.

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governance (ESG) factors into investment practices.

The Financial Reporting Council confirmed in February 2024 that MGIE continues to meet the expected standard of reporting and will remain a signatory to the UK Stewardship Code, which represents best practice in stewardship.

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### Approach to Exclusions

Mercer and MGIE's preference is to emphasise integration and stewardship approaches, however, in a limited number of instances, exclusions of certain investments may be necessary based on Mercer's Investment Exclusions Framework. Controversial weapons and civilian firearms are excluded from active equity and fixed income funds, and passive equity funds. In addition, tobacco companies and nuclear weapons are excluded from active equity and fixed income funds. Some funds have additional exclusions as outlined on the Mercer Investment Solutions Europe - Responsible Investment website.

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

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### Sustainability-themed investments

An allocation to Mercer's Luxembourg domiciled Sustainable Opportunities fund (private markets) is included within the Scheme's portfolio of Growth assets, with the allocation accounting for c. 2.4% of the Growth Portfolio.

The annual Impact Report highlights the positive social and environmental impact generated by the Scheme's investments within the private markets Sustainable Opportunities solution.

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### Diversity

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

Mercer considers broader forms of diversity in decision-making, but currently report on gender diversity. As of 1 April 2023, 35% of the Key Decision Makers (KDM's) within Mercer Investment Solutions team are non-male, and Mercer's long-term target is 50%.

Within the Fixed Income universe, the average fund has 13% non-male KDM's and within the EMEA Active Equity universe, the average is 17%. Figures relating to Mercer Fixed Income and Active Equity Funds are currently slightly ahead or aligned, at 15% and 17%.

In Q3 2022, MGIE became a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023. The 30% Club is a business-led initiative that aims to increase gender diversity on corporate boards and in senior leadership positions.

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## Engagement

**Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustee.** The 2023 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 Global Manager Engagement Survey on sustainability and stewardship topics. The survey was distributed to over 200 managers appointed by the Mercer Funds. The survey aims to gather 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 the 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 Stewardship Report. This report is reviewed by the Trustee providing them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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## 5. MONITORING THE INVESTMENT MANAGERS

### DB Policy

The Trustee's policy for the DB Section managers is set out in Section 12 of the SIP.

### How has this policy been met over the Scheme Year?

The Trustee receives regular reports and information from Mercer on their monitoring and the managers' compliance. This includes but is not limited to Mercer's Manager Research ESG ratings for the underlying investment managers, analysis of the carbon footprint and voting and engagement activity.

#### **Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies**

The Trustee's investment strategy is based on the advice from Mercer which is predicated on a de-risking framework which is seeking to meet the Trustee's key objectives as defined within the SIP and therefore intrinsically aligns Mercer with said policies. The Quarterly Strategy Report is reviewed by the Trustee on a quarterly basis and includes the Scheme's funding level progression. The Trustee also uses Barnet Waddingham on

#### **Evaluation of asset managers' performance and remuneration for asset management services**

The quarterly reports and ad-hoc investment updates were reviewed by the Trustee and discussed at investment committee meetings. The reports include financial metrics and Mercer Manager Research Ratings for the underlying asset managers that comprise the Mercer Funds over the medium and longer term. The Mercer Research Rating includes a Manager Rating which indicates Mercer's view on the likelihood of a manager to

a quarterly basis to assist it with reviewing Mercer's alignment with the Trustee's policies. The underlying investment managers are set specific targets which are designed to collectively ensure the Scheme is on track for its de-risking framework. If managers are not performing as intended, they will be replaced.

### **The duration of the arrangements with asset managers**

The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Mercer has been appointed as a fiduciary management partner to assist the Trustee in achieving the Scheme's long-term objectives. In that role, there is an expectation of a longer-term relationship until the journey is completed. This will be reviewed periodically. The Trustee employs a third-party evaluator (Barnett Waddingham) to review Mercer's capacity to deliver the service it was appointed to, on a quarterly basis.

Mercer provide ongoing oversight of all underlying asset managers and will ensure the asset managers' continued appropriateness. As such there is no set duration for manager appointments.

### **DC & AVC Assets Policy**

The underlying investment managers within the DC and AVC assets are monitored by Scottish Friendly and Utmost. The Trustee then receives advice from Mercer on an ad-hoc basis reviewing Scottish Friendly and Utmost. A Value for Members assessment was completed covering cost and charges and performance of the funds in October 2023.

achieve their performance objective and an ESG Rating which gives an indication of the extent to which ESG considerations are incorporated into the managers' investment process. Where underlying asset managers are not meeting expectations, Mercer is expected to engage with these managers. This has led to changes to the underlying asset managers within the Mercer funds over the year. Over the year, the Trustee has continued to receive reporting from Mercer on the underlying asset managers and their continued suitability. Furthermore, the Trustee relies on Mercer to renegotiate underlying asset manager fees on new and existing appointments.

### **Monitoring portfolio turnover costs**

As noted in the SIP, the Trustee does not explicitly monitor portfolio turnover costs incurred by the Scheme. Investment manager performance is reported and evaluated net of all fees and transaction costs (costs incurred because of buying and/or selling assets), and where possible, performance objectives for investment managers were set on a net basis. In this way, managers are incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives. The Trustee also receives from Mercer and reviews the annual MiFID II cost & charges statement and CMA cost and charges statements which provides the detail of costs incurred by the Scheme's assets including the transaction costs.



## 6. STRATEGIC ASSET ALLOCATION

### Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

#### DB Assets

##### Policy

The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:

- Roles and Responsibilities (SIP Section 2)
- Investment Objectives (SIP Section 3)

Further granular detail can be found in the Investment Policy Implementation Document (IPID) to the SIP.

##### How has this policy been met over the Scheme Year?

The Trustee has decided to delegate the implementation of the desired investment strategy to Mercer, with pre-agreed funding level de-risking triggers which prompt action being taken by Mercer to progressively de-risk the Scheme's investment strategy.

The Trustee considers the way in which investment risk should be reduced and have delegated the monitoring of the de-risking triggers to Mercer who review the funding level daily. During the year, the Scheme has made continued progress against its long-term objective of being 105% funded on a gilts + 0.5% p.a. basis by 2035. Mercer constructs portfolios of investments that are expected to maximise the return (net of all costs) given the targeted level of risk and the investment objectives over the lifetime of the Scheme.

### Risks, including the ways in which risks are to be measured and managed

##### Policy

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found under Section 5 (Policy on Risk) of the SIP.

##### How has this policy been met over the Scheme Year?

As detailed in Section 5 of the SIP, the Trustee considers both quantitative and qualitative measures for these risks when deciding investment policies and evaluating Mercer's actions relating to the strategic asset allocation, dynamic asset allocation and choice of sub-investment managers and asset classes.

The strategy report is reviewed by the Trustee on a quarterly basis – this includes the overall funding level risk and as appropriate comments on the other risks to which the Scheme is exposed. The annual reviews of the investment strategy provides the Trustee with an opportunity to consider their long-term objectives and assess the Value at Risk (“VaR”) – i.e. how much the deficit could increase by, or more, in a 1 in 20 downside event for the Scheme – which is a primary measure for assessing the mismatch between the Scheme’s assets and liabilities and the Company’s ability to support it.

## **DC & AVC Assets**

The Trustee makes available a range of funds for the DC and AVC benefits which are reviewed to ensure they are suitable. Regarding the investment risks associated with the DC Section, the Trustee has considered risk from a number of perspectives. The list below is not exhaustive, but covers the main risks considered by the Trustee to be financially material.

<b>Risk</b>	<b>How it is Managed</b>	<b>How it is Measured</b>
<p><b>Market Risk</b></p> <p>The risk that low investment returns over members’ working lives or unfavourable market movements in the years just prior to retirement will secure an inadequate pension.</p>	<p>The Trustee provides members with a range of funds, across various asset classes. Members are able to set their own investment strategy in line with their aims and risk tolerances.</p>	<p>The performance of the available funds is monitored on an annual basis.</p>
<p><b>Interest Rate Risk</b></p> <p>The risk that unfavourable interest rate movements, particularly in the years just prior to retirement may lead to a reduction in the pension that the member’s retirement account can secure.</p>	<p>The Trustee provides members with a range of funds, across various asset classes, which will have varying sensitivities to interest rate risk.</p>	<p>The performance of investment funds and market fundamentals, including interest rates, are monitored on an annual basis.</p>
<p><b>Inflation Risk</b></p> <p>The risk that investments do not keep pace with inflation.</p>	<p>The Trustee provides members with a range of funds, across various asset classes, which have varying exposure to inflation risk.</p>	<p>Annual performance reports consider the long-term performance of the funds to help the Trustee assess whether the returns have kept pace with inflation.</p>
<p><b>Manager Risk</b></p> <p>The risk that the chosen underlying investment manager underperforms the benchmark against which the manager is assessed.</p>	<p>The Trustee provides members with a range of funds, across various asset classes, which have varying levels of active management.</p>	<p>It is the Trustee’s policy to monitor performance on an ongoing basis relative to the fund’s benchmark and stated targets/objective.</p>
<p><b>Mismatch Risk</b></p>	<p>The Trustee has made a range of funds available to members including share, cash,</p>	<p>It is the Trustee’s policy to monitor performance on an ongoing basis.</p>

<p>The risk that the financial assets a member is invested in as they approach retirement are not suited to the way they will access their retirement benefit.</p>	<p>and bond funds that can be selected by members as they approach retirement.</p>	
<p><b>Liquidity Risk</b></p> <p>The risk that assets may not be readily marketable when required.</p>	<p>The pooled funds in which the Trustee allows members to invest provide the required level of liquidity. Units in the pooled funds in which the Scheme invests are believed to be readily redeemable.</p>	<p>When considering new investment options or reviewing existing options, the Trustee considers the pricing and dealing terms of the underlying funds.</p>
<p><b>Concentration Risk</b></p> <p>The risk that a portfolio has an over-allocation to a single asset class, sector, country, or counterparty, thereby having a high exposure to non-systemic risk factors.</p>	<p>The Trustee has made a range of funds available to members, so that they can choose to invest in a well-diversified portfolio. The range of funds enables diversification by asset class (e.g. equity, bonds, cash), by region and includes both passively and actively managed funds, which can help achieve diversification.</p>	<p>It is the Trustee's policy to monitor performance on an ongoing basis. The Trustee also periodically reviews the default investment option and self-select range.</p>
<p><b>Exchange Rate Risk</b></p> <p>The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.</p>	<p>The Trustee has made a range of funds available to members, across various asset classes, which have varying levels of exposure to foreign exchange rates.</p>	<p>It is the Trustee's policy to monitor performance on an ongoing basis.</p>
<p><b>Environmental, Social and Governance Risk</b></p> <p>ESG factors can have a significant effect on the performance of the investments held by the Scheme, e.g. extreme weather events, poor governance.</p>	<p>The Trustee's policy on ESG risks is set out in Section 11 of this Statement. The incorporation of ESG considerations is delegated to the Provider who in turn delegates to the underlying investment managers.</p>	<p>It is the Trustee's policy to monitor performance on an ongoing basis and ESG considerations are taken into account by the Platform provider in the selection of managers.</p>

## 7. VOTING AND ENGAGEMENT DISCLOSURES

The Trustee's investments take the form of shares or units in the Mercer Funds, for the main DB assets and funds with Utmost Life and Scottish Friendly for the DC & AVC assets.

Within these funds, any voting rights that do apply with respect to the underlying investments are, ultimately, delegated to the third-party investment managers appointed by Mercer, Scottish Friendly and Utmost. Mercer's view is that the managers have more detailed knowledge of both the governance and the operations of the investee companies and has therefore enables managers to vote based on their own proxy-voting execution policy and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. As such the Trustee does not use the direct services of a proxy voter, but the underlying managers are likely to.

Please note that, since the DC & AVC assets represent a very small and therefore immaterial proportion of the total assets of the Scheme the voting and engagement disclosures provided below relate to the DB assets only.

**Voting:** As part of the monitoring of managers' approaches to voting, Mercer 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). Mercer portfolio managers will use these results to inform their engagements with managers on their voting activities.).

### DB Assets

The majority of the Scheme's underlying assets subsequently have no exercisable voting rights to report, although it is noted that a small portion of the Mercer Multi-Asset Credit Fund invests in equity linked securities.

A summary of the voting activity for the Multi-Asset Credit Fund in which the Scheme's assets are invested in is provided overleaf for the year ending 30 April 2024. This may include information in relation to funds that the Scheme'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. 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 by Mercer is for all shares to be voted.

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 Multi-Asset Credit Fund (1)	15	15	100%	0%	0%	0%	0%	100%	0%	5	0%

<sup>(1)</sup> 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)”
- 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 Global Engagement Priority themes. There are no significant proposals reported relating to the Pooled Funds that the Scheme is invested in.