

Edmund Nuttall Limited Staff Superannuation Fund (the 'Fund')

Engagement Policy Implementation Statement

December 2023

12.2023

Edmund Nuttall Limited Staff Superannuation Fund
Annual Report for the year ended 31 December 2023

Appendix 1

Engagement Policy Implementation Statement

1. Introduction

This Engagement Policy Implementation Statement (the Statement) sets out the Trustee's 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 Fund's investments during the one-year period to 31 December 2023 (the "Fund Year"), excluding additional voluntary contributions. The Trustee's policies are set out in their Statement of Investment Principles (SIP) dated March 2023. A copy of the Trustee's SIP is available on request and is also publicly available online:

https://cdn01.bamnuttall.co.uk/Edmund_Nuttall_Engagement_Implementation_Statement_31_12_2020_with_cover_1a929de049.pdf

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 for Works and Pensions.

The Trustee appoints Mercer Limited (Mercer) as a discretionary investment manager and the Fund's assets are invested 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 IV). Note, due to the nature of private markets, investment voting information is not available for the PIP funds.

The relevant Mercer affiliate is 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 Trustee accepts 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 Trustee has reviewed these policies and note an awareness of engagement topics that are important to the Fund. Mercer's Client Engagement Survey seeks to integrate the Trustee's view on specific themes by assessing the level of alignment between Mercer's engagement priority areas and those of the Trustee, while highlighting additional areas of focus which are important to the Trustee. The Trustee reviews 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.

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

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

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

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2. Trustee's policy on Environmental, Social and Governance ("ESG") Issues, including climate change

Policy Summary

Section 9 of the Fund's SIP outlines the Trustee's ESG beliefs. The Trustee keep these policies under regular review.

Should the Trustee consider that the engagement policies of Mercer, MGIE or the third party asset managers, do not align with those of the Trustee, the Trustee 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.

The Pension Schemes Act 2021 introduced legislation requiring specified pension schemes to ensure there is effective governance with respect to the effects of climate change. Occupational pension schemes with £5 billion or more in assets are required to have in place effective governance, strategy, risk management, and accompanying metrics and targets for the assessment and management of climate risks and opportunities from 1 October 2021, aligned with the Task Force on Climate-related Disclosures ("TCFD") framework.

How the Policy has been implemented over the Fund Year

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

Policy Updates	Climate Change Reporting and Carbon Foot-printing	ESG Rating Review
<p>The Trustee consider 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.</p> <p>The Mercer Sustainability Policy is reviewed regularly. In August 2023 the governance section was updated, and the climate scenario modelling section is now detailed the standalone Task Force on Climate Related Financial Disclosures (TCFD) report.</p>	<p>Consideration of the impacts of climate change has been central to Mercer's global investment beliefs since 2014. Mercer and the Trustee believe climate change poses a systemic risk, with financial impacts driven by two key sources of change:</p> <ol style="list-style-type: none"> 1. The physical damages expected from an increase in average global temperatures 2. The associated transition to a low-carbon economy <p>Each of these changes presents both risks and opportunities to investors. Mercer therefore considers</p>	<p>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 Trustee. 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 Irish domiciled Mercer Funds overall ESG rating with the appropriate universe of strategies in Mercer's Global Investment Manager Database (GIMD). Engagements are</p>

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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.

The most recent UN Principles of Responsible Investment results (based on 2022 activity) awarded Mercer were awarded 4 stars out of 5 for Policy Governance and Strategy.

the potential financial impacts at a diversified portfolio level, in portfolio construction within asset classes, and in investment manager selection and monitoring processes.

In early 2021, Mercer announced its aim to achieve net-zero absolute portfolio 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 set a 2030 target to reduce portfolio carbon emissions by 45% from 2019 baseline levels and is on track to achieve this aim. 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 their long-term net zero portfolio carbon emissions target. There has been a notable 16% reduction over the 3 years since 2019 baseline levels, resulting in the 45% baseline-relative reduction by 2030 being within range.

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 Trustee 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.

Approach to Exclusions

Mercer and MGIE 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 (based on revenue) and nuclear weapons are excluded from active equity and fixed income funds. The Mercer sustainability-themed funds

Sustainability-themed investments

An allocation to MGIE's Sustainable Equities, Sustainable Listed Infrastructure and Mercer's Luxembourg domiciled Sustainable Opportunities funds (private markets) is included within the Fund's portfolio of Growth assets, with the allocation now accounting for c.10% of the Growth Portfolio.

The Mercer annual sustainability report includes more detail on the active/passive Sustainable Global Equity fund, including a more granular breakdown of the fund

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 at 1 April 2023, 35% of the Key Decision Makers (KDM's) within Mercer Investment Solutions

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have additional exclusions, for example covering gambling, alcohol, adult entertainment and fossil fuels.

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.

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.

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

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%.

Over the year to 31 December 2022, there has been an increase across both active equity and fixed income multi-client funds and their respective universes and across both active equity and fixed income multi-client funds, the representation of female KDMs is higher than the broader universe of 13.7%. Mercer expect this number to grow over time both across our funds and the industry as a whole, supported in part through our engagements with managers on the topic and participation in industry initiatives.

In Q3 2022, MGIE was confirmed as a signatory of the UK Chapter of the 30% Club and helped to establish the Irish Chapter over 2023.

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Engagement Policy Implementation Statement (continued)

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

Policy

The Trustee's policy is to delegate responsibility for the discretionary investment management of Fund assets to Mercer, and to invest the Fund's assets in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager. In order for the Trustee to discharge its obligations with respect of voting and engagement, it requires reporting on the engagement and voting undertaken within the Mercer Funds in order to consider whether the policies align with those of the Trustee.

Voting rights that 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 evaluate 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, to which Mercer is a signatory. As such the Trustee does not use the direct services of a proxy voter.

A core component of Mercer's stewardship approach centres on engagements with our appointed managers. Mercer and the Trustee believe appointed managers are typically best placed to prioritise particular engagement topics by security, given most managers are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in and are therefore best placed to engage on topics that are most material to each security. However, Mercer and the Trustee also have a role to play with a total portfolio view in identifying companies and issuers of interest, particularly in relation to systemic topics like climate change, or policy commitments we have made, for example in relation to UN Global Compact red flags. Mercer engage with appointed managers on their overall approach to ESG integration and stewardship, including their policy commitments, integration of ESG considerations across their investment processes and voting and engagement activities with the aim of encouraging them to improve portfolio risk and return outcomes.

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.

The next page sets out a summary of voting activity for the year to 31 December 2023 for a range of Mercer Funds that the Fund's assets are invested in. This may include information in relation to funds that the Fund'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

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voting system (via the custodian of the Mercer Funds). 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.

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

Fund	Total Proposals		Vote Decision ⁽²⁾					For/Against Mgmt		Meetings	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against	No.	Against
MGI Eurozone Equity Fund	4,501	4,308	84%	12%	1%	4%	0%	87%	13%	272	54%
MGI UK Equity Fund	2,082	2,076	98%	2%	0%	0%	0%	98%	2%	94	29%
MGI Emerging Markets Equity Fund	3,930	3,718	82%	13%	4%	1%	0%	86%	14%	404	40%
Mercer Multi-Asset Credit Fund (1)	17	17	94%	6%	0%	0%	0%	94%	6%	6	17%
Mercer Global Small Cap Equity Fund	6,463	6,162	86%	8%	0%	4%	2%	91%	9%	544	39%
Mercer Low Volatility Equity Fund	8,216	7,808	84%	7%	0%	5%	4%	92%	8%	483	37%
Mercer Sustainable Global Equity Fund	6,555	6,477	85%	11%	1%	1%	3%	89%	11%	396	57%
Mercer Passive Global REITS UCITS CCF	3,217	3,093	75%	19%	0%	4%	2%	78%	22%	322	70%
Mercer China Equity Fund	5,177	5,097	88%	11%	1%	0%	0%	88%	12%	500	44%

⁽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

⁽²⁾ Voting Decision figures may not sum due to rounding.

- “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

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- “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).
- “No. of meetings” represents meetings managers were eligible to vote at.
- “Against” represents in what % of meetings voted at least once against management.

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

Significant Votes: The Trustee has 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 Text” 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

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 Global Small Cap Equity Fund	Denny’s Corp. (0.4%)	17/05/2023 : Shareholder Proposal Regarding Paid Sick Leave (Social)	Against (N/a - The manager voted against this proposal, supportive of company management's argument that due to its highly franchised business model, the Company's direct control over the compensation and benefits arrangements is limited to the team members employed in its 66 Company-operated restaurants and corporate support functions, and that	10% Support Proposal did not pass. (None to report)

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			dictating employment practices could expose the Company to greater liability)	
	Bloomin' Brands (0.1%)	18/04/2023 : Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement (Environmental)	For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)	43% Support Proposal did not pass. (Given the proponent also tabled this proposal in 2021, and received a majority vote in support, it was tabled again this year due to lack of progress and insufficient response from company management. The manager will monitor the company's response in light of this.)
	Texas Roadhouse Inc (0.0%)	11/05/2023 : Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement (Environmental)	For (No - The manager supported this proposal, as setting GHG emissions targets will help the company manage climate change- and deforestation-related risks.)	40% Proposal did not pass. (None to report)
Mercer Low Volatility Equity Fund	Alphabet Inc (2.9%)	02/06/2023 : Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	Split - (No - For (2): Managers who voted FOR this proposal were supportive as an independent Human Rights Impact Assessment would help shareholders better assess Alphabet's management of risks related to human rights Against (1): The manager who voted against felt this proposal did not merit support as the company's disclosures pertaining to the item are already reasonable.)	18% Support Proposal did not pass. (None to report)

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	<p>Alphabet Inc (2.9%)</p>	<p>02/06/2023 : Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)</p>	<p>Split - (No - For (2): Managers who voted FOR this proposal were supportive, as additional reporting on the company's direct and indirect lobbying practices, policies, and expenditures would benefit shareholders in assessing its management of related risks. Against (1): The manager who voted against felt this proposal did not merit support as the company's disclosures pertaining to the item are already reasonable.)</p>	<p>14% Support Proposal did not pass. (None to report)</p>
	<p>Microsoft Corporation (2.7%)</p>	<p>07/12/2023 : Shareholder Proposal Regarding Equal Employment Opportunities Policy Risk Report (Social)</p>	<p>Against (No - Managers voted against this proposal, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. In particular, one manager noted Microsoft includes "political affiliation" in its anti-discrimination policy and provides some information about policies and practices that it takes to ensure it does not discriminate against people based on personal characteristics and to foster a culture of merit-based promotion. There do not seem to be allegations of workforce discrimination. The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. Microsoft prohibits discrimination based on protected class and seeks to promote a culture based on equal opportunity)</p>	<p>1% Support Proposal did not pass. (None to report)</p>

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	Microsoft Corporation (2.7%)	07/12/2023 : Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	<p>(No - For (3): Managers who supported this proposal were supportive, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries</p> <p>Against (1): The manager who voted against this proposal noted Microsoft has made public commitments to manage human rights risks in line with best practices. The company discloses government and law enforcement requests for content removal and conducts Human Rights Impact Assessments in collaboration with stakeholders to identify risks. Microsoft also published a human rights report which includes information on risks and mitigating actions. The manager acknowledged there is an opportunity for Microsoft to consolidate and strengthen disclosures on specific processes aimed at mitigating country specific risks (through updates to its human rights report last published in 2021), however they ultimately felt current disclosures are adequate and a new report on data operations in human rights hotspots is redundant.)</p>	33% Support Proposal did not pass. (None to report)
	Microsoft Corporation (2.7%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	<p>Against (No - Managers did not support this proposal as the company's retirement plan is managed by a management-level committee and employees who are looking for more climate-risk-free investments are offered a self-directed option.)</p>	9% Support Proposal did not pass. (None to report)

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	UnitedHealth Group Inc. (1.1%)	05/06/2023 : Shareholder Proposal Regarding Racial Equity Audit (Governance)	Against (N/a - Managers voted against this proposal, noting the company has taken positive steps towards racial equity. One manager also noted they have been engaging with the company on environmental topics, and raised this as part of their discussions around the company's strategy.)	20% Support Proposal did not pass. (None to report)
Mercer Passive Global REITS UCITS CCF	Digital Realty Trust Inc (2.4%)	08/06/2023 : Shareholder Proposal Regarding Concealment Clauses (Governance)	For (No - A vote in favour is applied as the manager supports proposals related to improvement in information available in respect of diversity and inclusion policies as the manager considers these issues to be a material risk to companies. In addition, in June 2022, 45.59% percent of Digital Realty's investors supported the request of this resolution. Since this high vote, the company has not released any additional information on its use of concealment clauses, nor has it agreed to a conversation with the resolution's proponents.)	Withdrawn (The proposal was withdrawn following the managers' vote. The manager will review the proposal if it is tabled again at future AGMs, and continue to monitor the company's D&I disclosure and policies.)
	Klepierre (0.3%)	11/05/2023 : Opinion on Climate Ambitions and Objectives (Environmental)	For (N/a - The manager supported this item, given the company's sufficient disclosures and commitments. The company has committed to a net-zero carbon portfolio by 2030 and its carbon reduction targets for Scopes 1 and 2 emissions, and Scope 3 for downstream leased assets was validated by the SBTi as aligned with a 1.5°C scenario.)	93% Support Proposal passed. (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.)
	Public Storage (3.4%)	02/05/2023 : Shareholder	For (No - A vote in favour is applied as the manager expects	35% Support Proposal did not pass.

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		Proposal Regarding GHG Targets and Alignment with Paris Agreement (Environmental)	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.)	(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	American Water Works Co. Inc. (1.3%)	10/05/2023 : Shareholder Proposal Regarding Racial Equity Audit (Human / Labour Rights)	<p>Split</p> <p>(No -</p> <p>For (2):</p> <p>Managers who voted FOR this proposal were requesting that American Water Works Company oversee and report on a racial justice audit to analyse the impact of the company's policies and operations on systemic racism. While the company has made progress in disclosing diversity and inclusion information, it has not yet achieved its undisclosed diversity targets. This proposal aims to enhance the company's transition towards a more inclusive and diverse workforce and increase transparency. The Manager welcomes additional information on the scope of the audit and recommendations to better evaluate the effectiveness of the company's efforts in addressing racial inequity. Although we do not specifically advocate for ethnic statistics, we recognize the positive advancement in the US market and support initiatives that combat discrimination and inequality. Therefore, the managers will vote in favour of this shareholder proposal to promote transparency.</p> <p>Against (1):</p> <p>Ultimately, the Manager took the decision to vote AGAINST the shareholder proposal to undertake a racial equity audit as</p>	<p>39% Support</p> <p>Proposal did not pass.</p> <p>(The Manager who voted For expects the company to have a response to the high level of support and will advocate for the practice in engagement.</p> <p>One of the Managers who voted Against engaged with AWW multiple times in 2023 on this and other material ESG topics. The Manager discussed American Water Works' EDI goals; though these goals were not met in 2022, they have remained in place. The Manager encouraged the company to provide more transparency around their E,D&I goals and progress moving forward.)</p>

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			they believed the company already undergoes a third-party evaluation. Further, the Manager noted that the company publishes extensively on their DEI commitments. This has improved over time. The Manager believes the proposal remains unwarranted at this time.)	
	Microsoft Corporation (4.0%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	<p style="text-align: center;">Against</p> <p style="text-align: center;">(One manager who voted against management's recommendation communicated their intentions to the company ahead of the vote.</p> <p>Managers voted against this proposal, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. In particular, one manager noted Microsoft includes “political affiliation” in its anti-discrimination policy and provides some information about policies and practices that it takes to ensure it does not discriminate against people based on personal characteristics and to foster a culture of merit-based promotion. There do not seem to be allegations of workforce discrimination. The company reports on its diversity and inclusion initiatives and has initiatives in place to increase diverse hiring. Microsoft prohibits discrimination based on protected class and seeks to promote a culture based on equal opportunity)</p>	<p>1% Support Proposal did not pass. (None to report.)</p>
	Microsoft Corporation (4.0%)	07/12/2023 : Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to	<p style="text-align: center;">Against</p> <p>(No – The rationale for voting against the shareholder proposal to include travel and lodging reimbursements for abortion procedures is based on several factors. Firstly, the proposal is</p>	<p>1% Support Proposal did not pass. (None to report.)</p>

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		<p>Reproductive and Gender Dysphoria Care (Social)</p>	<p>seen as undermining the company’s ESG efforts rather than strengthening them. Secondly, One of the manager does not agree with the argument that the proposal would meaningfully enhance shareholder understanding of equitable compensation or mitigate associated risks. The company's existing disclosures, including their recent DEI report, already address pay equity and extend travel benefits to include medical services. Lastly, the compensation committee reviews these programs annually, ensuring their effectiveness. Therefore, a vote against the proposal was warranted to uphold sustainability progress, equitable compensation, and comprehensive disclosure practices.)</p>	
<p>Microsoft Corporation (4.0%)</p>	<p>07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environment)</p>		<p>Split - One manager who voted against management's recommendation communicated their intentions to the company ahead of the vote.</p> <p>For (2): Managers who voted FOR this proposal agreed that disclosure of how the company is protecting its retirement plan beneficiaries with longer time horizons from systemic climate risk in the company's default retirement groups would be beneficial</p> <p>Against (2): Managers who voted against this proposal did so as the company's retirement plan is managed by a management-level</p>	<p>9% Support Proposal did not pass. (One manager who voted for the proposal confirmed they intend to watch the success rates of these types of proposals across the landscape to see if they gain momentum.)</p>

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			committee and employees who are looking for more climate-risk-free investments are offered a self-directed option.	
	Schneider Electric SE (1.2%)	04/05/2023 : Opinion on Climate Strategy (Environmental)	For (N/a - Managers voted to approve the company's climate strategy, however it was noted that there was room for improvement, particularly with regards to 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.)	96% Support Proposal passed. (Managers will monitor the company's progress and review any updates to its strategy as they become available.)
MGI Eurozone Equity Fund	BP plc (0.5%)	27/04/2023 : Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions (Environmental)	Against (N/a - Given the Company's existing targets and disclosures, as well as the complexity and uncertainty in setting these targets, managers did not support this proposal.)	16% Support Proposal did not pass. (Concerns with the Company's 2030 targets being reduced in the months leading up to the AGM were noted, particularly following 85% support from shareholders in 2022 when they were asked to approve the company's former targets. This alone didn't warrant a vote in favour, given the belief that the Company should not be required to adhere to a strategy that the board no longer believes is in the best interests of shareholders as a result of changes in the market or in demand.)
	Engie (0.7%)	26/04/2023 : Shareholder Proposal Regarding Annual Say on Climate and Climate Disclosure (Environmental)	For (No - The manager voted for the proposed amendments as they would favour additional information for shareholders without infringing on the Board's prerogatives. Despite this, the manager noted concerns raised by investors regarding the debate surrounding the use of a bylaw amendment to support	21% Support Proposal did not pass. (None to report)

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Appendix 1 (continued)

			the requested additional disclosure and votes on the company's climate strategy.)	
	TotalEnergies SE (1.0%)	26/05/2023 : Opinion on 2023 Sustainability and Climate Progress Report (Environmental)	For (N/a - Managers supported this proposal, noting the company had made sufficient progress over the year and were responsive to engagement efforts from investors. While they felt there was still room for improvements in some areas, they were satisfied that the company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030 and committed to disclose absolute targets for GHG emissions covering all activities as well as further information regarding their environmental impact.)	86% Support Proposal passed. (Managers are continuing to monitor the company against its recent commitments.)
	TotalEnergies SE (1.0%)	26/05/2023 : Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement (Environmental)	Split - (No - For (1): The manager who voted FOR this proposal noted its adoption would help to strengthen the company's efforts to reduce its carbon footprint and align its Scope 3 emission targets with Paris Agreement goals and would allow investors to better understand how the company is managing both its transition to a low carbon economy and its climate change-related risks. Against (1): The manager that voted against felt this proposal did not merit support as they were satisfied with the existing progress and disclosures put forward by the company in its climate progress report.)	29% Support Proposal did not pass. (None to report)

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Appendix 1 (continued)

MGI UK Equity Fund	BP plc (2.4%)	27/04/2023 : Shareholder Proposal Regarding Reporting and Reducing Greenhouse Gas Emissions (Environmental)	Against (N/a - Manager voted against as there were concerns that shareholder-mandated revisions of the company's Scope 3 emissions reduction targets would not be in the best interest of shareholders.)	16% Support Proposal did not pass. (None to report)
	Legal & General Group plc (1.5%)	18/05/2023 : Approval of Climate Transition Plan (Environmental)	For (N/a - The Company has adopted a net zero ambition and has set reduction targets for its Scope 1, 2, and 3 emissions. The Company also provides reporting aligned with the TCFD, information concerning its scenario analysis, and has received third-party assurance on its GHG emissions. Overall, we believe its disclosure is sufficient to allow shareholders to understand and evaluate how the Company intends, at this time, to meet its climate objectives.)	95% Support Proposal passed. (None to report)
	Shell Plc (4.5%)	23/05/2023 : Approval of Energy Transition Progress (Environmental)	For (N/a - Given the totality of circumstances, including the recent energy crisis, the manager acknowledge the potential of utilizing this proposal to express concerns about the ambition of the Company's climate plan, such as its lack of absolute Scope 3 targets. However, on balance, particularly in consideration of the Company's engagement with shareholders on this matter and its robust disclosures, the manager did not believe it was warranted to oppose this proposal.)	77% Support Proposal passed. (None to report)

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Appendix 1 (continued)

	Shell Plc (4.5%)	23/05/2023 : Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement (Environmental)	Against (N/a - Given the Company's existing GHG reduction goals, and its extensive disclosure on the steps it is taking to mitigate its environmental impact, the manager did not believe that adoption of this proposal would benefit the Company or its shareholders)	19% Support Proposal did not pass. (None to report)
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Appendix 2 (continued)

Trustee's Policy in relation to their investment managers

Trustee policies with respect to arrangement with, and evaluation of the performance and remuneration of, asset manager and portfolio turnover costs

When engaging Mercer as discretionary investment manager to implement the Trustees' investment strategy outlined in section 5 of the SIP, the Trustee is concerned that, as appropriate and to the extent applicable, Mercer is incentivised to align its strategy and decisions with the profile and duration of the liabilities of the Fund, in particular, long-term liabilities.

As Mercer manages the Fund's assets by way of investment in Mercer Funds, which are multi-client collective investment schemes, the Trustee accepts that they do not have the ability to determine the risk profile and return targets of specific Mercer Funds but the Trustee expects Mercer to manage the assets in a manner that is consistent with the Trustees' overall investment strategy as outlined in section 4 of the SIP. The Trustee has taken steps to satisfy themselves that Mercer has the appropriate knowledge and experience to do so and keeps Mercer's performance under ongoing review, including an independent review on a periodic basis.

Should Mercer fail to align its investment strategies and decisions with the Trustees' policies, it is open to the Trustees to disinvest some or all of the assets invested managed by Mercer, to seek to renegotiate commercial terms or to terminate Mercer's appointment.

To evaluate performance, the Trustee receives, and consider, investment performance reports produced on a quarterly basis, which presents performance information and commentary in respect of the Fund's funding level and the Mercer Funds in which the Trustee is invested. Such reports have information covering fund performance for the previous three months, one-year, three years and since inception. The Trustee reviews the absolute performance and relative performance against a portfolio's and underlying investment manager's benchmark (over the relevant time period) on a net of fees basis. The Trustee's focus is on the medium to long-term financial and non-financial performance of Mercer and the Mercer Funds.

Neither Mercer, MGIE nor Mercer AG make investment decisions based on their assessment about the performance of an issuer of debt or equity. Instead, assessments of the medium to long-term financial and non-financial performance of an issuer are made by the underlying third party asset managers appointed by MGIE and Mercer AG to manage assets within the Mercer Funds. Those managers are in a position to engage directly with such issuers in order to improve their performance in the medium to long term. The Trustee is, however, able to consider Mercer's and MGIE's assessment of how each underlying third party asset manager embeds ESG into their investment process and how the manager's responsible investment philosophy aligns with the Trustee's own responsible investment policy. This includes the asset managers' policies on voting and engagement. Section 9 of the SIP provides further details of the steps taken, and information available, to review the decisions made by managers, including voting history and the engagement activities of managers to identify decisions that appear out of line with a Mercer Fund's investment objectives or the objectives/policies of the Fund.

The asset managers are incentivised as they will be aware that their continued appointment by MGIE and Mercer AG may be based, at least in part, on their success in meeting expectations

The Trustee is a long-term investors and are not looking to change their investment arrangements on an unduly frequent basis. However, the Trustee does keep those arrangements under review, including the continued engagement of Mercer using, among other things, the reporting described above.

The Trustee monitors, and evaluate, the fees it pays for asset management services on an ongoing basis taking into account the progress made in achieving its investment strategy objectives as outlined in section 5 of the SIP. Mercer's, and MGIE's, fees are based on a percentage of the value of the Fund's assets under management which covers the design and annual review of the de-risking strategy, and investment management of the assets. In addition, the underlying third party asset managers of the Mercer Funds also charge fees based on a percentage of the value of the assets under management. In some instances, some of the underlying managers may also be entitled to charge fees based on their performance.

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Appendix 2 (continued)

Trustee's Policy in relation to their investment managers (continued)

Mercer AG fees are charged based on net commitment for the first four years following the final close and, thereafter, by reference to the Net Asset Value of the Mercer Fund.

MGIE reviews the fees payable to third party asset managers managing assets invested in the Mercer Funds on a regular basis with any negotiated fee savings passed directly to the Fund. Mercer's, MGIE's and Mercer AG and the third party asset managers' fees are outlined in a quarterly investment strategy report prepared for the Trustees, excluding performance-related fees and other expenses involved in the Mercer Funds not directly related with the management fee.

Details of all costs and expenses are included in the Mercer Fund's Supplements, the Report & Accounts and within the Fund's annualised, MiFID II compliant Personalised Cost & Charges statement. The Fund's Personalised Cost & Charges statement also include details of the transaction costs associated with investment in the Mercer Funds.

The Trustee does not have an explicit targeted portfolio turnover range, given the de-risking mandate, but rebalancing ranges have been designed to avoid unnecessary transaction costs being incurred by unduly frequent rebalancing. Other than in respect of private markets investments where turnover in the Mercer Funds does not usually apply, performance is reviewed net of portfolio turnover costs, with the review of portfolio turnover of the underlying investment managers undertaken by MGIE.