MMC UK Pension Fund
– Defined Contribution Section

Annual Implementation Statement – 31 December 2025

1. Introduction

This Statement, prepared by the Trustee of the MMC UK Pension Fund ("the Fund"), sets out how, and the extent to which, the Statement of Investment Principles ("SIP") has been followed during the year to 31 December 2025 ("the Fund year"). This Statement covers the Defined Contribution ("DC") Section of the Fund and should be read in conjunction with the DC Section SIP[1]. A separate statement has been prepared for the Defined Benefit ("DB") Section.

This Statement also includes a summary of the voting and engagement activity that was carried out on behalf of the Trustee over the Fund year by the investment managers.

2. Statement of Investment Principles

2.1. Investment Objectives of the Fund

The objectives of the Fund included in the DC Section SIP are as follows:

- *To establish a default strategy which will offer a high quality solution appropriate for the majority of members saving into the Fund.*
- *Alongside the default investment arrangement, provide a range of self-select funds to meet the diversity of member needs throughout their working lives.*
- *To offer funds that enable members to plan appropriately for their retirement.*
- *To make available an appropriate range of funds to avoid unnecessarily complicating members' investment decisions.*
- *To implement and deliver an attractive and compelling communication and engagement strategy that reflects the needs of members, specifically taking into account the nature of the Fund and the investment arrangements that are provided.*
- *To put in place the necessary governance framework that will allow the ongoing suitability of the Fund, including the suitability of the investment arrangements, to be monitored over time.*

2.2. Investment structure

The DC Section of the Fund has a delegated investment arrangement in place with Mercer Workplace Savings ("MWS"). Through this arrangement, the Fund uses funds managed by Mercer Global Investments Europe Limited ("MGIE").

The Trustee has ultimate oversight responsibility of this delegated arrangement and monitors this arrangement regularly and the performance of the funds on a quarterly basis.

2.3. Review of the SIP

The SIP was reviewed during the Fund Year, but no updates were required. The Trustee updated the SIP in June 2024 to include wording in relation to the Trustee's Sustainable Investment Policy and its policy on illiquid assets for the default investment option. A

[1]Available on the Fund website: https://pensions.uk.mmc.com/index.html

copy of this SIP version is available via the Fund website.

2.4. Assessment of how the policies in the SIP have been followed for the Fund year

The information provided in the following section highlights the activity undertaken by the Trustee during the Fund year and sets out how this activity adhered with the Trustee's policies in the SIP.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Fund year.

Strategic Asset Allocation

	Policy	Location in SIP	How the policy has been met over the Fund year
1	**Kind of investments to be held and the balance between different kinds of investments**	Sections 4 and 5	In terms of the underlying DC fund options, MWS regularly monitor the arrangements in place and conduct an annual investment strategy review. The 2024 MWS investment strategy review was previously discussed at the June 2024 Investment Committee ("IC") meeting. At the time, the Trustee noted MWS' proposals for changes to the investment strategy and decided to consider these proposals as part of its triennial investment strategy review for the DC Section. The Trustee commenced its formal review of the DC Section investment strategy in September 2024, receiving advice from their investment consultant throughout 2025 at Trustee and IC meetings. This review considered the MWS proposed changes to the design of the default investment option (SmartPath targeting Drawdown strategy), the self-select fund range and alternative SmartPath strategies, membership demographics and retirement decisions, and wider UK industry trends. The Trustee decided to make some investment changes which are due to be implemented in 2026. Further details of the changes will be included in next year's Statement. Following the Trustee's review of the Additional Voluntary Contributions ("AVCs") held with Scottish Widows, Prudential, Clerical Medical, Standard Life and Aviva, it was agreed to transfer the remaining Prudential unit-linked assets to Scottish Widows, in line with previous changes completed in Q1 2023. These changes were implemented in Q2 2025.

Strategic Asset Allocation

	Policy	Location in SIP	How the policy has been met over the Fund year
2	**Risks, including the ways in which risks are to be measured and managed**	Section 8	The Trustee considers both quantitative and qualitative measures for risks when deciding investment policies, strategic asset allocation, the choice of investment manager / funds / asset classes. The Trustee monitored the performance delivered by the investment arrangements and their ongoing suitability for the Fund’s membership at each quarterly Trustee meeting. The Trustee provides a range of investment options which allow members to reflect the level of risk they wish to take in light of their own individual circumstances in their selection of funds. These risks have been considered as part of the quarterly monitoring and the triennial investment strategy review which was undertaken throughout 2025.
3	**Expected Return on Investments**	Section 6	The investment performance was reviewed by the Trustee on a quarterly basis. As noted under item 1, MWS carried out a formal investment strategy review, which was discussed at the IC meeting in June 2025. The Trustee also commenced their formal review of the DC Section of the Fund in September 2024 which continued during 2025. These reviews included an analysis of the current default investment option and self-select funds’ performance against their objectives. Investment performance was also assessed as part as the annual Value for Member’s assessment during the year. While there were some areas that merited closer scrutiny (e.g. the active equity monitoring framework in place, see item 4 below for further details), the Trustee agreed that the Fund continued to offer good value for members over the period.

Investment Mandates

	Policy	Location in SIP	How the policy has been met over the Fund year
4	**Securing compliance with the legal requirements about choosing investments**	Section 1	The Fund’s investment consultant attended all Trustee and IC meetings during the year. The investment consultant provided updates on fund performance and, where required, appropriateness of the funds used, as well as advice on asset allocation and investment risks. The Fund’s investment consultant also provided advice at the December 2025 IC meeting on the ongoing suitability of the Mercer Active Global Equity Fund following its extended “On Watch” period, as detailed in item 9.
5	**Realisation of Investments**	Section 7	Under normal circumstances, all assets under management consist of daily-priced and daily-dealt pooled investment arrangements, mainly invested in regulated markets, and therefore should be realisable at short notice, based on member demand.
6	**Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments**	Section 9 and 11	The Trustee has identified key investment risks in the SIP. Most of these risks were monitored on a quarterly basis by the Trustee through the quarterly performance reporting provided by the Fund’s investment consultant. All of the risks identified were considered as part of the Trustee’s detailed investment strategy review and the annual investment strategy reviews conducted by MWS. The Trustee has also identified environmental, social and corporate governance (‘ESG’) factors as financially material considerations in the SIP. The Trustee has a standalone Sustainable Investment Policy, which sets out a structured plan for the Trustee to cover ESG, climate change and stewardship actions. The Trustee reviewed progress against this plan on a quarterly basis. Member views are not taken into account in the selection, retention or realisation of investments.

Monitoring the Investment Managers

	Policy	Location in SIP	How the policy has been met over the Fund year
7	**Incentivising investment managers to align their investment strategies and decisions with the Trustee's policies**	Section 10 (item 42)	The Trustee has agreed appropriate investment mandates to align with its overall investment strategy. The arrangements in place were reviewed regularly as part of the annual MWS investment strategy review and the Trustee's quarterly monitoring of investment performance.
8	**Incentivising the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity**	Section 10 (item 43)	The Trustee has assessed the arrangement with MWS and is happy that the contractual arrangement in place continues to incentivise the investment managers to make decisions based on medium to long term financial and non-financial performance.

Monitoring the Investment Managers

	Policy	Location in SIP	How the policy has been met over the Fund year
9	**Evaluation of the investment manager's performance and the remuneration for asset management services**	Section 10 (item 44)	To evaluate performance in respect of the investment managers, the Trustee received and discussed investment performance reports on a quarterly basis. The reports presented information and commentary in respect of the investment performance of the DC fund options on a short-term (quarterly) and a longer-term (annually and 3 yearly) basis. A framework for assessing underperformance of active equity funds was introduced in June 2023, leading to the IC placing the Mercer Active Global Equity Fund "On Watch" in September 2023. Following changes to the fund in February 2024 and observing some improvements in performance, the Trustee agreed to extend the "On Watch" period for another 12 months to monitor whether these changes have a sustained positive impact on performance. At the December 2025 IC meeting, in light of the latest performance to 30 September 2025 (including the backdrop of how other active global equity managers were performing), it was agreed that the formal "On Watch" status should be removed although the more detailed quarterly assessment of performance would continue to be carried out in conjunction with the Treasury team with updates being included in the IC's quarterly performance update. In addition, the Trustee monitors the manager research rating (based on manager outlook and performance prospects) and Environmental, Social and Governance ("ESG") integration credentials assigned to each manager by the investment consultant on a quarterly basis. The investment management fees paid by members of the Fund was benchmarked by the Fund's investment consultant as part of the annual Value for Members' assessment. The Trustee concluded that charges were very competitive relative to peers and alternative investment platforms.

Monitoring the Investment Managers

	Policy	Location in SIP	How the policy has been met over the Fund year
10	**Monitoring portfolio turnover costs**	Section 10 (item 45)	The Trustee reviewed transaction costs, where available, as part of the Value for Members' assessment carried out during 2025. While the transaction costs provided appear to be reflective of costs expected of various asset classes and markets that the Fund invests in, a widely accepted "industry standard" benchmark or peer group approach for comparison purposes has not currently been established. The Trustee will continue to monitor transaction costs on an annual basis and developments on assessing these costs for value.
11	**The duration of the arrangement with the investment manager**	Section 10 (item 46)	Investment managers are aware that their continued appointment is based on their success in delivering in line with objectives of the mandate for which they have been appointed. There remain no set durations for the funds used by the Fund and there is no set duration for the arrangement the Trustee holds with MWS. As mentioned under item 9, the Trustee implemented a framework in June 2023 to closely monitor the performance of the active equity funds. As a result, the Trustee decided to remove the "On Watch" status for the Mercer Active Global Equity Fund in December 2025 although more detailed quarterly assessment of performance would continue for the fund.

ESG Stewardship and Climate Change

	Policy	Location in SIP	How the policy has been met over the Fund year
12	**Undertaking engagement activities in respect of the investments** (including the methods by which, and the circumstances under which, trustee would monitor and engage with relevant persons about relevant matters)	Section 9 (items 37 and 40)	In summary, the Trustee expects manager's engagement policies to include all relevant matters, as defined in the investment regulations. The Trustee receives investment managers' policies and voting and engagement activities (where applicable) on an annual basis. The Trustee monitored the investment and ESG credentials assigned to each manager by the investment consultant on a quarterly basis via the investment reports and in its meetings. In addition, the investment consultant informed the Trustee of any changes to the investment or ESG credentials for the Fund's managers as and when changes occurred during the Fund year. MWS produce an annual Sustainability report with the version for the period ended 31 December 2024 shared in November 2025. The Trustee's Sustainable Investment Policy covers the Trustee's beliefs in relation to sustainable investment and climate change as well as the framework for how ESG related matters are monitored and integrated in investment beliefs, climate change analytics and stewardship. In addition to the above, the Trustee successfully completed its fourth annual TCFD report and published it online, as required, ahead of its 31 July 2025 deadline. This report represented the culmination of a significant amount of work completed by the Trustee and various other stakeholders and is evidence of the good progress the Fund continues to make in determining how climate related factors are considered on behalf of members in the Fund. This report also reflected comments made by the Pensions Regulator from its review of climate related disclosures by occupational pension schemes.

Voting Disclosures

	Policy	Location in SIP	How the policy has been met over the Fund year
13	**The exercise of the rights (including voting rights) attaching to the investments**	Section 9 (items 36 and 37)	The Trustee has delegated its voting rights to the investment managers and also expect its investment managers to engage with the investee companies on its behalf. The Trustee has requested key voting activities from its managers during the Fund year to reflect this guidance. In particular, focus has been given on the stewardship priorities which are set out below that the Trustee believes constitutes a “significant” vote. These stewardship priorities were set in June 2023 and remain unchanged. The information received is summarised in the voting section that follows.

Responsible Investment Activity by the Trustee during the Fund year

TCFD Reporting – Climate Scenario Analysis

Mercer (as investment consultant) evaluated the sensitivity of the two main funds used within the DC Section’s default investment option (Mercer Growth Fund and Mercer Diversified Retirement Fund) to various climate scenarios. There is considerable uncertainty regarding what the actual future warming pathway will be but the sensitivity analysis carried out helped the Trustee to consider the expected impact on performance under three warming scenarios: rapid transition (1.5^{o}C), orderly transition (2^{o}C) and failed transition (4^{o}C).

In summary, transition risks have the greatest impact on returns over the short term, with these impacts most pronounced under a rapid transition scenario where there may be rapid market re pricing relating to climate transition. Over the medium term, the risks and expected impacts associated with transitioning to a low carbon economy gradually give way to the physical impacts associated with climate change, with the expected negative impact from a failed transition particularly evident in the latter stages of the medium term. Over the long term, physical impacts become increasingly significant, with the failed transition resulting in significant falls in asset value relative to the baseline.

The Fund undertook climate scenario analysis as at 31 December 2022 to test the resilience of the investment strategy. There was no update to this analysis in the 2024 TCFD Report, as there was no material change to the investment strategy over the year.

Further information on the outcome of this analysis has been included in the Trustee’s fourth TCFD report, which was published ahead of its July 2025 deadline and is available online. The Trustee will update and reassess this analysis in the 2026 TCFD Report to monitor how the projections evolve over time.

MWS Annual Sustainability Report

MWS produce an annual Sustainability report with the version for the year ended 31 December 2024 provided in November 2025. This report reviewed the ESG credentials, as assigned by Mercer (the investment consultant), and compared them to other funds in the same asset class categorisation. It also provided a review of progress on ESG credentials over the last year.

In addition, the report covered Carbon Metrics, which showed Carbon Intensity Analysis of the underlying funds used in the Mercer Growth and Mercer Diversified Retirement Funds (including progress versus the funds’ climate intensity target), environmental and social impact analysis, voting and engagement analysis, an overview of the screening implemented in the MWS funds and Gender Diversity Metrics for the Fund’s investments.

The report provided the Trustee with a good overview on MWS’ progress on various ESG issues and how they are being integrated and taken account of in the MWS investment arrangements.

Voting and Engagement Activity

The Trustee has delegated its voting rights to the investment managers. The SIP states *"The Trustee has given the Delegated Investment Manager and the investment manager of each externally managed fund full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments."*

Guidance on reporting on stewardship from the Department of Work and Pensions (DWP) came into effect for schemes with year ends post 1 October 2022, which requires trustees to define what they consider to be a significant vote and report on all the most significant votes each year. The Trustee has requested key voting activities from its managers during the Fund year. In particular, focus has been given on the stewardship priorities that the Trustee believes constitutes a "significant" vote. These stewardship priorities were set in June 2023 and were applied within the Annual Implementation Statement for the previous Fund year and remain unchanged. These have been set out below.

It is the Trustee's view that the policy has been followed during the Fund year. The MWS Statement with regards to Climate change management reporting, including stewardship policy, is available at: https://investment-solutions.mercer.com/content/dam/mercer-subdomains/delegated-solutions/CorporatePolicies/Mercer%20ISE%20Stewardship%20Policy.pdf

The Sustainable Investment Policy, discussed and approved in September 2025, including engagement priorities, is available at: https://pensions.uk.mmc.com/docs/MMC_UK_PF_Sustainable_Investment_Policy.pdf.

Over the prior 12 months, the Trustee has not actively challenged the investment managers on their voting activity. The Trustee does not use the direct services of a proxy voter. The primary investment manager, MGIE, undertakes an annual survey on their engagement approach which allows them to gather information from all underlying investment managers on how they are engaging with investee companies on meaningful issues. An excerpt of engagements setting out the issue, action taken, and final outcome was shared with the IC. These engagements aligned with each of the IC's engagement priorities of economic sustainability, social sustainability and governance & strategy.

The majority of voting activity will arise in public equity funds. However, voting opportunities may arise in other asset classes such as certain bonds, property, private equity and multi-asset funds. However, **the Trustee has reported voting information with respect to all funds that hold equity and reported on the significant votes with respect to the main investment options used by the Fund.**

Examples of Engagement Activity during the Fund year

Irish Life Investment Managers engages with Microsoft Corporation

Irish Life Investment Managers voted for a shareholder proposal at Microsoft Corporation's annual general meeting, which requested a report on the company's Artificial Intelligence ("AI") human rights due diligence. Irish Life supported the proposal because recent controversy involving alleged misuse of Microsoft's cloud computing platform, identified only after external reporting, raised concerns about how effectively Microsoft's human rights due diligence processes prevent, detect, and address customer misuse of its AI and cloud products, with potential legal, reputational, operational, and financial implications. The proposal was not approved; however, Irish Life is continuing to engage with Microsoft via Sustainalytics on Net Zero and Sustainability and Good Governance, using that engagement to discuss AI-related governance and human rights issues, monitor progress against agreed objectives, and escalate any concerns as needed.

Baillie Gifford engages with Amazon Inc.

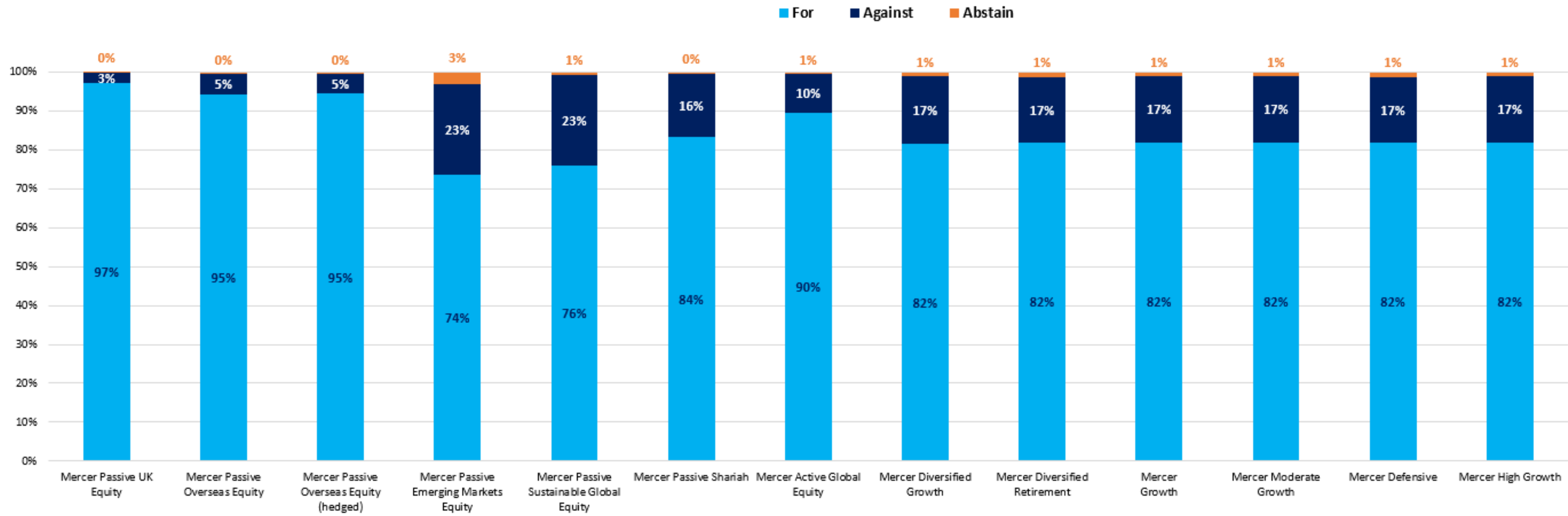
Baillie Gifford engaged with Amazon.com, Inc. regarding the shareholder proposal requesting a report on how the company plans to meet its climate commitments amid rapidly increasing energy demand from AI and Amazon's continued expansion of data centre capacity. Baillie Gifford viewed the company's approach to securing and managing energy for this buildout, alongside its stated climate goals, as an important investment issue, and therefore supported the resolution to seek additional disclosure. Ahead of the meeting, Baillie Gifford discussed the proposal with the company and communicated its intention to vote in favour, emphasising that greater transparency on how energy use is being assessed and addressed in parallel with climate targets would better inform shareholder risk assessment. Although the proposal was not approved and received 20% support, Baillie Gifford will continue engagement with Amazon on this topic.

BlackRock engages with Shell Plc

BlackRock engaged with Shell plc's board and management in November 2024 and April 2025 to better understand how the company is managing climate-related risks and opportunities, with a focus on Shell's increasing strategic emphasis on integrated gas and liquified natural gas ("LNG") and the assumptions underpinning its LNG climate-related outlook. At Shell's annual general meeting, BlackRock supported a shareholder proposal requesting disclosure on how Shell's LNG demand forecast, LNG production and sales targets, and new capital spending on natural gas assets align with its climate commitments, including its 2050 net zero target. BlackRock concluded that enhanced transparency would help investors better understand the relationship between Shell's LNG outlook and its net zero commitments. The proposal was not passed however, BlackRock is continuing to engage and encourage Shell on this matter.

Voting Activity during the Fund year

A summary of the voting activity for the Fund's equity investments is set out overleaf. Over the prior 12 months, the Trustee has not actively challenged the delegated investment manager or the investment manager of each externally managed fund on their voting activity. The Trustee does not use the direct services of a proxy voter.



	Mercer Passive UK Equity	Mercer Passive Overseas Equity	Mercer Passive Overseas Equity (hedged)	Mercer Passive Emerging Markets Equity	Mercer Passive Sustainable Global Equity	Mercer Passive Shariah	Mercer Active Global Equity	Mercer Diversified Growth	Mercer Diversified Retirement	Mercer Growth	Mercer Moderate Growth	Mercer Defensive	Mercer High Growth
Total number of resolutions eligible to vote on	9,473	23,799	25,654	21,559	15,640	1,627	9,090	88,395	62,852	82,305	82,305	62,852	82,305
% of resolutions voted on	99%	98%	92%	97%	100%	97%	98%	95%	97%	95%	95%	97%	95%

Figures may not sum due to rounding.

Fund Structure and Voting

A number of the funds used in the Fund operate on a 'fund of funds' structure (such as Mercer Growth and Mercer Diversified Retirement Funds). Each of these funds invests in a number of underlying funds, managed by different fund managers. This may mean that there are different voting outcomes for the same vote resolution, due to the differing views of the underlying fund managers, and that it is not possible to aggregate all of the fund holdings in each company.

Examples of Significant Votes

The Trustee considers significant votes on the underlying holdings of the Fund on an annual basis. The Trustee has decided to consider votes focusing on shareholder resolutions relating to priority engagement themes, while taking into account the size of holding across funds. These votes are deemed significant by the Trustee. In curating the significant votes for the Fund, the Trustee therefore screens by the following criteria:

1. Shareholder resolutions;
2. Its three priority engagement themes of Climate change, Human rights and labour practices, and DE&I; and
3. Funds used in the default strategy, where the majority of members' assets are invested (Mercer Growth and Mercer Diversified Retirement).

The Trustee also considers those votes where the Fund has a larger holding in the company being voted on as the most significant. Due to the 'fund of funds' structure and voting approach, described above, it is not possible to aggregate all of the fund holdings in each company. Therefore, the Trustee has chosen to disclose three votes for each of the funds used in the default strategy. As a number of votes apply to both the Mercer Growth and Mercer Diversified Retirement Funds, the Trustee has selected six votes in total that represent the highest % holding across both funds at the point of the vote.

Details of the votes which the Trustee deems to be most significant are provided below. 'Management recommendation' and the 'Vote' highlights whether the company management team and the investment manager voted for (✓) or against (✗) the shareholder proposals. The rationale supporting the vote exercised by the investment manager is also provided (where supplied by the investment manager). The resolution passing is represented by a (✓) in the "Outcome" column or is represented by a (✗) if the resolution did not pass. All votes shown below qualify as a significant vote under the Trustee's criteria. The implications of each outcome—including any lessons learned and the likely future steps managers may take in response—are set out in 'Next Steps'.

Where Irish Life Investment Managers Limited ("ILIM") voted against management recommendation, they did not communicate their intent to the company ahead of the vote.

Where UBS Asset Management (UK) Ltd ("UBS") voted against management recommendation, they did not communicate their intent to the company ahead of the vote.

Where State Street Global Advisors (Ireland) Limited ("State Street") voted against management recommendation, they did not communicate their intent to the company ahead of the vote.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Growth	Mercer Passive Global Equity	ILIM	Apple Inc / 3.40%	25 Feb 2025	DE&I	Shareholder proposal regarding abolishing inclusion and diversity programme and policies	✗	✗	ILIM did not support this proposal. The proponent argued that Apple's DE&I initiatives could increase litigation risk and requested additional disclosure. ILIM believes Apple has robust compliance measures and effective oversight of legal and regulatory risks. The company also maintains clear non-discrimination policies, and its governance and risk oversight appear aligned with prevailing market practice. At the time of the vote, ILIM was not aware of any material controversies or substantiated employee discrimination claims linked to Apple's DE&I efforts that would warrant the additional disclosures requested.	✗	ILIM, as a responsible investment manager, will keep developing its Global Proxy Voting Guidelines in line with the key priority themes that ILIM considers as financially material from a sustainability perspective. ILIM will continue exercising voting rights as a means to reduce portfolio risk and deliver more sustainable long-term outcomes.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Growth	Mercer Passive Global Equity	ILIM	Microsoft Corporation / 2.54%	5 Dec 2025	Climate Change	Shareholder proposal regarding report on risks of providing AI to facilitate new oil and gas development and production	✗	✗	A vote against this resolution was applied, as the concerns raised by the proposal do not appear to present significant material risks at this time. The company already provides sufficient disclosure regarding its approach to providing services to energy-sector customers.	✗	ILIM are engaging the company through Sustainalytics on Net Zero and Sustainability & Good Governance, including AI-related topics. ILIM will continue to monitor progress against set objectives and raise any concerns during their engagement calls.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Growth	Mercer Passive Fundamental Indexation Global Equity	UBS	Netflix Inc. / 0.75%	5 Jun 2025	Climate Change	Shareholder proposal regarding climate transition plan	✗	✗	UBS voted against this proposal because Netflix's existing disclosures already provide shareholders with sufficient insight into its climate strategy and progress. The company has an SBTi-validated transition plan targeting a 55% emissions-intensity reduction and a 46% absolute reduction in Scope 1 and 2 emissions by 2030 (vs. a 2019 baseline). Netflix has also reported emissions reductions through initiatives such as energy efficiency, electrification of vehicles, clean mobile power, and increased use of renewables, and it provides ongoing qualitative progress updates (although it does not disclose interim sub-targets).	✗	UBS will continue to engage with the company. Given the current discourse around environmental and climate proposals in the US. UBS will monitor the company's further developments closely.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Diversified Retirement	Mercer Passive Global Equity	State Street	Microsoft Corporation / 1.17%	5 Dec 2025	Human Rights	Shareholder proposal regarding report on AI human rights due diligence	✗	✗	State Street voted against this proposal because additional action does not appear warranted. The company's disclosures regarding human rights risks are aligned with State Street Investment Management's guidance and are considered sufficient at this time.	✗	Following the incident with Israeli Ministry of Defense, the company acknowledged limitations, including lack of visibility into how customers use software on self-managed servers. State Street will consider these examples when updating their AI governance and human rights considerations for the tech sector.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Diversified Retirement	Mercer Passive Fundamental Indexation Global Equity	UBS	Meta Platforms Inc / 0.82%	28 May 2025	Climate Change	Shareholder proposal regarding transition plan and renewable energy	✗	✗	UBS voted against this proposal. Meta's renewable energy strategy prioritizes "additionality" by supporting new renewable projects, with less than 5% of its 2023 renewable energy purchases coming from short-term unbundled RECs. Meta also provides detailed emissions disclosures, and remaining constraints are largely due to technical and data limitations rather than a lack of transparency. Given Meta's current approach and the limited materiality of the request at this time, UBS did not consider the proposal to warrant support, while noting that the topic remains an evolving area.	✗	UBS will continue to engage with the company. Given the current discourse around environmental and climate proposals in the US, UBS will monitor the company's further developments closely.

Fund	Underlying fund	Underlying fund manager	Issuer / Size of holding in the manager's fund*	Date	Trustee priority engagement theme covered by the vote	Proposal	Vote	Management recommendation	Rationale	Outcome	Next steps
Mercer Diversified Retirement	Mercer Passive Fundamental Indexation Global Equity	UBS	Netflix Inc. / 0.42%	5 June 2025	DE&I	Shareholder proposal regarding report on affirmative action risks	✗	✗	UBS voted against this proposal because Netflix appears to provide thorough workforce metrics disclosures. Its Code of Conduct prohibits discrimination, and a board committee oversees the company's environmental, social, and governance policies. Netflix's diversity and inclusion approach focuses on targeted hiring efforts, bias-reduction initiatives, and employee training, and there is no indication that the company uses hiring quotas or mandates specific demographic outcomes. In addition, at the time of the vote, there were no known controversies or substantiated claims of discrimination linked to Netflix's diversity and inclusion initiatives.	✗	UBS will continue to engage with the company. Given the current climate around DE&I in the US, UBS will monitor further developments by the company.

Source: MWS, underlying fund managers.