

Engagement Policy Implementation Statement for the Year Ended 5 April 2024

AVX Limited Pension Scheme (“the Scheme”)

1. INTRODUCTION

The Engagement Policy Implementation Statement (known as the Statement) presents the Trustees' assessment of their adherence to their engagement policy and their policy concerning the exercise of rights (including voting rights) attaching to the Scheme's investments throughout the one-year period ending 5 April 2024 (the “Scheme Year”). The Trustees' policies are outlined in their Statement of Investment Principles (SIP). The SIP was last reviewed in June 2023 in order to reflect the three year monitoring of the SIP as per regulations, but also the addition for the new investment strategy given the last funding level trigger was achieved in January 2023. A copy of the Trustees' SIP is available online and on request [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 Trustees have appointed Mercer Limited (Mercer) as the discretionary investment manager and the Scheme's assets are invested in a diverse range of specialised pooled funds (known as the Mercer Funds). The management of each of the Mercer Fund's assets is carried out by a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE).

The relevant Mercer affiliate is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the assets of each Mercer Fund.

Under these arrangements, the Trustees acknowledge that they do not possess direct authority over the engagement or voting policies and arrangements of the Mercer Funds' managers. 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.

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

Section 2 of this Statement outlines the Trustees' engagement policy and evaluates the extent to which it has been followed during the Scheme Year.

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

Considering the analysis presented in Sections 2 to 3, the Trustees believe that their policies with regard to engagement and the exercise of rights attaching to investments have been successfully followed during the Scheme Year.

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

Policy Summary

The Trustees' ESG beliefs are outlined in Section 9 of the Scheme's SIP.

The Trustees regularly review Stewardship and Sustainability policies noted above. If the Trustees find that the relevant policies of Mercer, MGIE or the third party asset managers do not align with their own beliefs they will notify Mercer and consider disinvesting some or all of the assets held in the Mercer Funds. They may also seek to renegotiate commercial terms with Mercer.

The Pension Schemes Act 2021 introduced legislation requiring specified pension schemes to have effective governance, strategy, risk management, and accompanying metrics and targets for the assessment and management of climate risks and opportunities. This requirement is aligned with the Task Force on Climate-related Disclosures (TCFD) framework. The TCFD framework is a set of recommendations developed by an international task force established by the Financial Stability Board (FSB). The framework provides guidance for organizations to disclose climate-related financial information in a consistent and decision-useful manner. Occupational pension schemes with £5 billion or more in assets must comply with these requirements from 1 October 2021. Occupational pension schemes with £1 billion or more in assets must comply with these requirements from 1 October 2022.

In November, the Investment Consultant provided the Trustees with ESG training as part of the investment update.

How the Policy has been implemented over the Scheme Year

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

Policy Updates	Climate Change Reporting and Carbon Footprinting	Mercer Ratings
<p>The Trustees regularly review 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 Trustees on a regular basis.</p>	<p>Mercer and the Trustees believe climate change poses a systemic risk, with financial impacts driven by two key sources of change:</p>	<p>Stewardship and active ownership form an important part of Mercer's ratings framework applied during the manager research process.</p>
<p>The Mercer <u>Sustainability Policy</u> 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.</p>	<ol style="list-style-type: none">1. The physical damages expected from an increase in average global temperatures2. The associated transition to a low-carbon economy	<p>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.</p>
<p>In line with the requirements of the EU Shareholder Rights Directive II (SRD II), Mercer has implemented a standalone <u>Stewardship Policy</u> 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.</p>	<p>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.</p>	<p>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.</p>
<p>The most recent <u>UN Principles of Responsible Investment</u> 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</p>	<p>In early 2021, Mercer announced its aim to achieve net-zero absolute portfolio carbon emissions by 2050 for UK, European and Asian discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer also established an expectation that portfolio carbon emissions intensity would reduce by 45% from 2019 baseline levels and is on track to achieve this. Mercer's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial</p>	<p>These ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustees.</p>

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.

Disclosures (TCFD), as described in the [Mercer Investment Solutions Europe - Responsible Investment website](#).

As of 31 December 2023, Mercer are on track to meet our long-term net zero portfolio carbon emissions expectation. There has been a notable 33% reduction over the 4 years since 2019 baseline levels for our Model Growth Portfolio used by most of Mercer's DB client base, bringing the 45% baseline-relative reduction by 2030 well within range.

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.

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

Engagement

Engagement is an important aspect of Mercer's stewardship activities on behalf of the Trustees. [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 available on request to the Trustees which would provide them with valuable information on the managers' stewardship activities and their alignment with Mercer's objectives.

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

The Trustees' policy is as follows:

- **Delegation of Investment Management:** The Trustees delegate responsibility for the discretionary investment management of Scheme assets to Mercer. The Scheme's assets are invested in a range of Mercer Funds for which MGIE or relevant Mercer affiliate acts as investment manager.
- **Reporting of Engagement and Voting:** In order for the Trustees to fulfil their obligations regarding voting and engagement, they require reporting on the engagement and voting activities undertaken within the Mercer Funds. This reporting helps the Trustees assess whether the policies

align with their own delegation of Voting Rights: Voting rights that apply to the underlying investments attached to the Mercer Funds are ultimately delegated to the third-party investment managers appointed by MGIE. MGIE accepts that these managers are typically best placed to exercise voting rights and prioritise particular engagement topics, given their detailed knowledge of the governance and operations of the invested companies. However, Mercer plays a pivotal role in monitoring the stewardship activities of those managers and promoting more effective stewardship practices, including attention to more strategic themes and topics.

- Proxy Voting Responsibility: Proxy voting responsibility is given to listed equity investment managers with the expectation that all shares are voted¹ in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager’s capability in ESG engagement and proxy voting as part of the selection process, ensuring alignment with Mercer’s commitment to good governance and the integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code, to which Mercer is a signatory. As such the Trustees do not use the direct services of a proxy voter.

A summary of the voting activity for a range of Mercer Funds in which the Scheme’s assets are invested in is provided for the year ending 5 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.

Mercer considers that votes exercised against management can indicate a thoughtful and active approach, particularly when votes are exercised to escalate engagement objectives.

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 Global Small Cap Equity Fund	6,310	6,032	85%	8%	0%	4%	2%	92%	8%	531	41%
Mercer Low Volatility Equity Fund	8,239	7,860	85%	7%	0%	4%	4%	92%	8%	476	39%
Mercer Fundamental Indexation Global Equity CCF	3,261	2,696	71%	9%	0%	17%	3%	87%	13%	225	66%
Mercer Passive Global Equity CCF	21,341	18,067	73%	9%	0%	15%	2%	85%	15%	1466	65%
Mercer Passive Emerging Markets Equity Fund	22,915	21,686	79%	16%	1%	4%	0%	82%	18%	2808	52%

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

- “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 Trustees have 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, 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 Fundamental Indexation Global Equity CCF	Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding EQUAL EMPLOYMENT OPPORTUNITIES (EEO) Policy Risk Report (Social)	Against (N/A – The company’s EEO policy states Apple’s commitment to equal employment opportunity, diversity, and inclusion. Its Business Code of Conduct states that it does not tolerate discrimination or harassment. The company discloses detailed information on its diversity and inclusion initiatives and metrics. The company appears to be providing shareholders with sufficient disclosure to evaluate its diversity and inclusion efforts and non-discrimination policies, and including ideology and viewpoint in EEO policies does not appear to be a standard industry or market practice at this time. As such, shareholder support for this proposal is not warranted.)	1.3% Support Proposal did not pass. (The Manager will continue to support reasonable shareholder resolutions that request increased disclosure in terms of gender and racial pay equity, particularly if this is a practice already carried out by Apple in one of their jurisdictions.)
	Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No – Apple does not publish for its U.S. or global workforce the same gender pay gap statistic as it publishes in the UK. The median pay gap statistic provides benefits such as transparency and comparability across time and organizations and serves as one measure of representation of women and racial and ethnic minorities in senior positions. Because it is expressing a gap, it also carries an implied goal of eliminating the gap. As the company discloses for its U.K. workforce, investors would benefit from a report concerning the median pay gap data for its U.S. or its global workforce as a means of allowing them to better gauge how well the company is advancing opportunities for women globally and racial and ethnic minorities in the U.S. and mitigating risks relating to increasing public scrutiny on gender and	30.9% Support Proposal did not pass. (The Manager will continue to support reasonable shareholder resolutions that request increased disclosure in terms of gender and racial pay equity, particularly if this is a practice already carried out by Apple in one of their jurisdictions.)

		racial/ethnic pay equity issues. Therefore, shareholder support for this proposal is warranted.)	
Apple Inc (3.1%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Governance)	Against (N/A – Apple provides shareholders with sufficient disclosure through its Supplier Code of Conduct and Supplier Responsibility Standards and Transparency Report, among other available documents, to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns and how the company aligns with its mission to protect human rights raised by the proponent. As such, shareholder support for the proposal is not warranted at this time.)	1.6% Support Proposal did not pass. (None to report.)
Microsoft Corporation (2.6%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (N/a - A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. The company's EEO Policy prohibits discrimination on the basis of political affiliation and there do not seem to be allegations of workforce discrimination. A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint.)	1% Support Proposal did not pass. (This was an example of a shareholder proposal with clear political intention but without any material evidence for the alleged political discrimination inside the company. The current EEO policy currently prohibits discrimination on the basis of political affiliation, therefore the request of the resolution was redundant.)
Microsoft Corporation (2.6%)	07/12/2023 : Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	For (No - A vote in favour of this proposal was warranted, as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries such as Saudi Arabia. Microsoft appears to be embarking on a large build out of its data centre operations, with increasing demand for cloud computing services. The shareholder resolution proponents brought up legitimate concerns over potential complicity with human rights violations in high-risk countries, which could increase reputational, legal, and workforce risks to the company. As the company builds more data centres, additional disclosure on the company's human rights due diligence process for siting its data centres would help shareholders better evaluate the company's management of related risks. The language of the resolved clause was also relatively flexible and not overly burdensome	33% Support Proposal did not pass. (Data privacy and human rights concerns are significant risks for any technology company. Siting in countries with significant human rights concerns such as Saudi Arabia exposes Microsoft to significant legal and reputational risk. It is in the best interest of shareholders that these projects are carried out with proper consideration of the risks involved. The manager will continue supporting resolutions that aim to prevent country-risk from companies' operations in high-risk regions.)

	Microsoft Corporation (2.6%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	For (No - A vote in favour of this resolution was warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them. The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.)	8% Support Proposal did not pass. (While the resolution received relatively low support, the manager believes the proposal would have allowed the company to better align with their climate change commitments. The managers seeks consistency between the operations and activities of companies and their climate commitments in a number of areas such as lobbying and capital expenditure. For this reason, this report could have aided the company's climate efforts.)
	Unitedhealth Group Inc (2.5%)	05/06/2023 : Shareholder Proposal Regarding Racial Equity Audit (Governance)	For (No - A vote FOR this resolution is warranted, as additional disclosure could help shareholders assess the impacts of the company's policies and practices on racial and ethnic minority communities.)	20% Support Proposal did not pass. (None to report)
Mercer Global Small Cap Equity Fund	Denny's Corp. (0.3%)	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 dictating employment practices could expose the Company to greater liability)	10% Support Proposal did not pass. (None to report)
	Bloomin' Brands (0.2%)	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% Support Proposal did not pass. (None to report)
Mercer Low Volatility Equity Fund	Alphabet Inc (3.3%)	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	18% Support Proposal did not pass. (None to report)

		support as the company's disclosures pertaining to the item are already reasonable.)	
Alphabet Inc (3.3%)	02/06/2023 : Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)	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.)	14% Support Proposal did not pass. (None to report)
Microsoft Corporation (2.9%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	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)	1% Support Proposal did not pass. (None to report)
Microsoft Corporation (2.9%)	07/12/2023 : Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern (Social)	Split For (3): (No - 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) 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	33% Support Proposal did not pass. (None to report)

			current disclosures are adequate and a new report on data operations in human rights hotspots is redundant.)	
	Microsoft Corporation (2.9%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	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.)	9% Support Proposal did not pass. (None to report)
	Unitedhealth Group Inc (1.0%)	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 Equity CCF	Alphabet Inc (2.7%)	02/06/2023 : Shareholder Proposal Regarding Human Rights Impact Assessment (Social)	For (No - A vote FOR this proposal is warranted because an independent human rights assessment would help shareholders better evaluate the company's management of risks related to the human rights impacts of its targeted advertising policies and practices.)	18% Support Proposal did not pass. (Support for this resolution at 20% was lower than last year, however still high enough to indicate some investors feel this is a significant unaddressed risks for Alphabet. The manager will continue to support resolutions and initiatives aimed at social media companies to ensure action is taken to mitigate this significant systemic risk.)
	Alphabet Inc (2.7%)	02/06/2023 : Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement (Environmental)	For (No - A vote FOR this proposal is warranted, as shareholders would benefit from greater transparency of the company's framework for addressing misalignments between its climate goals and direct and indirect lobbying, and how the company would plan to mitigate any risks that might be identified.)	14% Support Proposal did not pass. (Paris Agreement-aligned lobbying is one of the managers's engagement and voting priorities for ensuring their portfolios reach Net Zero. The manager will continue monitoring the company's reporting developments.)
	Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies (Social)	Against (N/A - Apple provides shareholders with sufficient disclosure through its Supplier Code of Conduct and Supplier Responsibility Standards and Transparency Report, among other available documents, to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns and how the company aligns with its mission to protect human rights raised by the proponent. As such, shareholder support for the proposal is not warranted at this time.)	1.6% Support Proposal did not pass. (None to report)
	Apple Inc (4.0%)	28/02/2024: Shareholder Proposal Regarding Equal Employment Opportunities (EEO) Policy Risk Report (Social)	Against (N/A - The company s EEO policy states Apple s commitment to equal employment opportunity, diversity, and inclusion. Its Business Code of Conduct states that it does not tolerate discrimination or harassment. The company discloses detailed information on its diversity and inclusion initiatives and metrics. The company appears to be providing shareholders with sufficient disclosure to evaluate its diversity and inclusion efforts and nondiscrimination policies, and including ideology and	1.3% Support Proposal did not pass. (None to report)

		viewpoint in EEO policies does not appear to be a standard industry or market practice at this time. As such, shareholder support for this proposal is not warranted.)	
Apple Inc (4.0%)	28/02/2024 : Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report (Governance)	For (No - Apple does not publish for its U.S. or global workforce the same gender pay gap statistic as it publishes in the UK. The median pay gap statistic provides benefits such as transparency and comparability across time and organizations and serves as one measure of representation of women and racial and ethnic minorities in senior positions. Because it is expressing a gap, it also carries an implied goal of eliminating the gap. As the company discloses for its U.K. workforce, investors would benefit from a report concerning the median pay gap data for its U.S. or its global workforce as a means of allowing them to better gauge how well the company is advancing opportunities for women globally and racial and ethnic minorities in the U.S. and mitigating risks relating to increasing public scrutiny on gender and racial/ethnic pay equity issues. Therefore, shareholder support for this proposal is warranted.)	30.9% Support Proposal did not pass. (Manager will continue to support reasonable shareholder resolutions that request increased disclosure in terms of gender and racial pay equity, particularly if this is a practice already carried out by Apple in one of their jurisdictions.)
Microsoft Corporation (4.7%)	07/12/2023 : Shareholder Proposal Regarding EEO Policy Risk Report (Social)	Against (N/a - A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint. The company's EEO Policy prohibits discrimination on the basis of political affiliation and there do not seem to be allegations of workforce discrimination. A vote against this proposal was warranted, as the company appears to be taking appropriate steps to protect itself against risks related to discrimination based on political ideology or viewpoint.)	1% Support Proposal did not pass. (This was an example of a shareholder proposal with clear political intention but without any material evidence for the alleged political discrimination inside the company. The current EEO policy currently prohibits discrimination on the basis of political affiliation, therefore the request of the resolution was redundant.)
Microsoft Corporation (4.7%)	07/12/2023: Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care (Social)	Against (No - The proponent is requesting that the company publish a report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care. The proponent argues that by providing women employees travel and lodging reimbursements to receive abortion procedures the company is subsidizing women who opt to have abortions with a subsidy and disincentivizing those that opt to raise their children by providing no subsidy. Microsoft discloses information on its pay equity analysis and data. It also discloses its median unadjusted pay analysis and data. The company also provides information on the health and wellness related benefits it offers employees. These benefits include leave for new parents and family caregiver leave, adoption assistance, parenting classes and family support programs, as	1% Support Proposal did not pass. (None to report.)

		<p>well as subsidized and discounted childcare and back-up care for children, adults, and elders.</p> <p>In contrast to the proponent s assertions, the company seems to provide significant support to women employees that opt to raise children. Overall, the company appears to provide sufficient information for investors to be able to gauge how the company is managing pay equity and health and wellness benefits related risks. Therefore, support for this proposal is not warranted at this time.)</p>	
Microsoft Corporation (4.7%)	07/12/2023 : Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options (Environmental)	<p>For (No - A vote in favour of this resolution was warranted. While the company offers an option to employees that want to invest more responsibly, it is unclear how well employees understand the retirement plans available to them.</p> <p>The information requested in the report would not only complement and enhance the company's existing commitments regarding climate change, but also allow shareholders to better evaluate the company's strategies and management of related risks.)</p>	<p>9% Support Proposal did not pass. (While the resolution received relatively low support, the manager believes the proposal would have allowed the company to better align with their climate change commitments. The managers seeks consistency between the operations and activities of companies and their climate commitments in a number of areas such as lobbying and capital expenditure. For this reason, this report could have aided the company's climate efforts.)</p>