

Sustainable Investment Information booklet update

10 October 2024

This notice updates the information in the *Sustainable Investment Information* booklet dated 24 May 2024 regarding Mercer Tailored Super – myChoice a Plan in the Corporate Superannuation Division (CSD) of the Mercer Super Trust. This notice should be read in conjunction with the Product Disclosure Statement (PDS) for Mercer Tailored Super – myChoice dated 28 June 2024 and the *Sustainable Investment Information* booklet before making any decision.

Changes to JANA investments

Effective 10 September 2024, the JANA investments options are no longer available in Mercer Tailored Super - myChoice.

This notice removes any reference to 'Mercer Tailored Super – myChoice' in sections '**10. JANA Managed Investment Options**' and the '**Glossary**', under the heading 'JANA Managed Investment Options' of the *Sustainable Investment Information* booklet.

Changes to the Plan name

As a result of a recent review, the Employer has decided to rename this Plan:

From: Mercer Tailored Super – myChoice
To: Mercer Tailored Super – Coles Group.

Effective 10 October 2024, this notice updates all references of *Mercer Tailored Super – myChoice* to *Mercer Tailored Super – Coles Group* in the *Sustainable Investment Information* booklet.

If you need assistance

Please visit mercersuper.com.au or call the Helpline on **1800 682 525** or +61 3 8306 0900 (if calling from overseas) from 8am to 7pm AEST Monday to Friday.

Sustainable Investment Information booklet

24 May 2024

The information in this document forms part of the following Product Disclosure Statements dated 28 June 2024:

- Employer Super in the Corporate Superannuation Division (CSD)
- Employer Section of the Mercer SmartSuper Plan in the CSD
- Mercer Business Super in the CSD
- Individual Section of the Mercer SmartSuper Plan in the CSD
- Uniting Church in Australia Beneficiary Fund in the CSD
- Chevron Australia Super Plan – Family section and Retained Family section in the CSD
- Anglican Superannuation Plan – Category Family members and Retained Benefits Family members in the CSD
- Macquarie Group Super Plan in the CSD
- Mercer Tailored Super in the CSD
- Mercer Tailored Super – myChoice in the CSD
- Santos Superannuation Plan in the CSD
- Mercer SmartSuper in the CSD
- Lutheran Super Plan in the CSD
- ARC Super Plan in the CSD
- Mercer MyChoice in the Retail Division.

And the information in this document forms part of the following Product Disclosure Statements:

- Mercer SmartRetirement Income dated 27 March 2024.



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MSAL is responsible for the contents of this Booklet and is the issuer of this Booklet. MIAL, AAML, Macquarie, JANA, MAPL or your Employer (if applicable) are not responsible for the issue of this Booklet, the PDS or any of the other important information booklets referred to in this Booklet or the PDS. They do not make any recommendation or provide any opinion regarding your Plan in the Mercer Super Trust or an investment in it.

The value of the investments in your Plan may rise and fall. MSAL, MIAL, AAML, Macquarie, JANA, MAPL or your Employer (if applicable) do not guarantee the investment performance, earnings, or the return of any capital invested in your Plan.

The material contained in this document is based on information received in good faith from sources within the market and on our understanding of legislation and government press releases at the date of publication which we believe to be reliable and accurate. Neither Mercer nor any of its related parties accept any responsibility for any inaccuracy.

You can find more information about the investment options applicable to your Plan in your PDS and your Plan's associated *Investments* booklet.

Updated information

The information in this Booklet, the PDS and the other booklets that are part of the PDS are current as at the date of publication. Information in this Booklet may change from time to time and if it is not materially adverse, will be made available online at mercersuper.com.au/pds.

A paper copy of any updated information will be given or an electronic copy made available on request at no charge by calling the Helpline.

We will advise you directly of any material changes as required by law.

About this booklet

This *Sustainable Investment Information* booklet (**Booklet**) provides important information about the sustainable investment approach taken in the Mercer Super Trust. It contains information relating to both sustainability labelled and non-sustainability labelled products and investment options. This Booklet should be read in conjunction with the Product Disclosure Statement (**PDS**) and *Investments* booklet applicable to your Plan (as defined in the PDS).

You should consider the information in this Booklet, the PDS and any other important information booklets referred to in this Booklet and the PDS before making a decision about your super. You can get a copy of the PDS and the booklets that are part of the PDS at mercersuper.com.au/pds or by calling the Helpline.

How to read this Booklet?

This Booklet sets out the sustainable investment approach taken in the Mercer Super Trust. For more information on:

- Mercer Managed Investment Options, refer to Sections 2 to Section 8 of this Booklet.
- Macquarie Managed Investment Options, refer to Section 9 of this Booklet. While these options do consider certain environmental, social and governance (ESG) factors, they are not designed for members whose primary objectives include consideration of ESG factors or meeting specific ESG goals. Sections 2 to 8, Section 10 and the Appendix of this Booklet do not apply to these options.
- JANA Managed Investment Options, refer to Section 10 of this Booklet. Sections 2 to 8, Section 9 and the Appendix of this Booklet do not apply to these options.

It is important that you understand the information in this Booklet. Ask us or a person you trust, such as your adviser, for help if you have difficulty understanding any information about your super or the options available to you.

If you are having difficulty due to a disability, understanding English or for any other reason, we are here to help.

This Booklet contains general information only and does not take into account your individual objectives, personal financial situation or needs. Before acting on this information, you should consider whether it is appropriate to your individual objectives, personal financial situation and needs. You should get financial advice tailored to your personal circumstances. The Target Market Determinations for products offered within the Mercer Super Trust can be found at mercersuper.com.au/TMD.

Mercer Superannuation (Australia) Limited (**MSAL**) ABN 79 004 717 533 Australian Financial Services Licence (AFSL) 235906 is the trustee of the Mercer Super Trust. In this Booklet, **MSAL is referred to as 'trustee', 'we' or 'our'** unless otherwise noted.

Your Employer is as defined in your PDS or the *Your Plan Details* guide.

See the Glossary at the end of this Booklet for clarification on capitalised terms used in this Booklet.

Understanding your investments

The Mercer Super Trust invests predominantly in investment funds for which Mercer Investments (Australia) Limited (**MIAL**) ABN 66 008 612 397 AFSL 244385 acts as responsible entity (the **Mercer Funds**) or Advance Asset Management Limited (**AAML**) ABN 98 002 538 329 AFSL 240902 acts as the responsible entity (the **Advance Funds**). MIAL and AAML select, appoint, replace and evaluate investment managers for these funds. MIAL and AAML do not directly select securities; instead, they rely on specialist third-party investment managers to invest on their behalf.

They may also rely on specialist third party environmental, social and governance (**ESG**) providers and their methodology for implementing the sustainable investment approach outlined in this Booklet.

References to '**Mercer Investments**' in this Booklet means MIAL or AAML.

For the Mercer Super Trust investment options that invest in the Mercer Funds and the Advance Funds, referred to as the '**Mercer Managed Investment Options**' the trustee has appointed MIAL as an implemented consultant to provide investment strategy advice, portfolio management and implementation services, including investment manager selection and monitoring.

For the Mercer Super Trust's Macquarie Ready-made Options referred to as the '**Macquarie Managed Investment Options**', the trustee has appointed MIAL as the implemented consultant. These options invest in funds for which Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFSL 238321 acts as the responsible entity and Macquarie Investment Management Global Limited ABN 90 086 159 060 AFSL 237843 is the investment manager, collectively referred to as '**Macquarie**'.

For the Mercer Super Trust's JANA Ready-made Options referred to as the '**JANA Managed Investment Options**', the trustee has appointed JANA Investment Advisers Pty Ltd (**JANA**) ABN 97 006 717 568 AFSL 230693 as an implemented consultant to provide investment strategy advice, portfolio management and implementation services, including investment manager selection and monitoring.

MSAL, MIAL, AAML, Macquarie and JANA are named in this Booklet and have consented to being so named. MSAL, MIAL and AAML are wholly owned subsidiaries of Mercer (Australia) Pty Ltd (**MAPL**) ABN 32 005 315 917, which is part of the Mercer global group of companies (**Mercer**).

Sections 2 to section 8 of this Booklet are only applicable to the Mercer Managed Investment Options. Section 9 is only applicable to the Macquarie Managed Investment Options. Section 10 is only applicable to the JANA Managed Investment Options.

The trustee does not impose any specific sustainability and ESG requirements for the shares, exchange traded funds and term deposits available to you through Mercer Direct (if applicable to your Plan).

1. The trustee's sustainable investment approach

The trustee believes that:

- Environmental, social and governance (ESG) factors (for example, such as those outlined in section '5. Mercer Managed Investment Options - ESG integration' of this Booklet) can have an impact on long-term risk and return outcomes if they are integrated into the investment process.
- Climate change poses a systemic risk, and investors should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes.
- Taking a broad and long-term perspective on risk, including identifying sustainability themes and trends, is likely to lead to improved risk management and new investment opportunities.
- Active ownership may support the realisation of long-term shareholder value by providing investors with an opportunity to enhance the value of companies and markets.
- An integration and engagement-based approach to sustainable investing rather than an exclusions-based approach is preferred. However, in a limited number of instances, exclusions of certain investments may be necessary.

Consequently, the trustee believes that a sustainable investment approach that considers these risks and opportunities can be in the best long-term financial interests of members.

For the Mercer Managed Investment Options, where relevant and aligned with achieving the investment objectives the trustee seeks to implement its sustainable investment approach using the following techniques:

- Integrating ESG considerations into investment processes (ESG integration)
- Integrating climate change considerations into investment processes (Climate change)
- Seeking to make investments linked to sustainability-themes (Sustainability-themed investing)
- Undertaking active ownership activities, which encompasses engagement and proxy voting (Active ownership)
- Seeking to avoid certain investments (Exclusions).

The trustee implements this approach for the Mercer Managed Investment Options through its implemented consulting arrangement with Mercer Investments and, in doing so, adopts the sustainable investment approach outlined in sections 2-8 of this Booklet.

The approach for the Macquarie Managed Investment Options is outlined in section '9. Macquarie Managed Investment Options' of this Booklet.

The approach for the JANA Managed Investment Options is outlined in section '10. JANA Managed Investment Options' of this Booklet.

2. Mercer Managed Investment Options – Exclusions

The trustee has created a set of Exclusion Criteria to seek to avoid investing in certain companies or securities for Mercer Managed Investment Options.

Each Mercer Managed Investment Option can be invested in one or more asset classes such as Australian Shares, International Shares, Real Assets, Alternative Assets, Growth Fixed Interest or Defensive Fixed Interest and Cash. The Exclusions may not apply across all asset classes within an investment option, nor within all investments within each asset class. You can check the underlying assets of your investment options at mercersuper.com.au/investments.

The following Exclusion Criteria apply to investments within relevant asset classes that are Direct Holdings, subject to the Exceptions detailed in section '4. Mercer Managed Investment Options - Exclusion list and exceptions' in this Booklet or other factors beyond Mercer Investment's control, which may mean they are not able to apply.

Exclusion	Exclusion Criteria
Controversial weapons	Companies that manufacture whole weapons systems, or delivery platforms, or key components that were developed or are significantly modified for use in cluster munitions, anti-personnel landmines, biological or chemical weapons. Companies that are involved in the production or retailing of automatic or semi-automatic civilian firearms and/or ammunition.
Tobacco companies	Companies involved in the production of tobacco, manufacture of nicotine alternatives or tobacco based products (regardless of revenue), including subsidiaries and joint ventures. Nicotine alternatives and tobacco-based products include, for example, nicotine vaping products e.g. 'vaping' devices and e-cigarettes. Any other company that derives greater than 50% of revenue ¹ from tobacco-related distribution (wholesale or retail) and services such as marketing or supplying products necessary for production.
Russian securities	Where relevant, Mercer Investments has instructed its investment managers to divest any existing exposure to Russian securities as market conditions allow and to prohibit any new investments in Russian securities. This may mean that Mercer Managed Investment Options still retain exposures to Direct Holdings of Russian securities, as Mercer Investments seeks to divest in a manner that promotes the best financial interests of members. For these purposes, Russian securities are: <ul style="list-style-type: none"> • Shares – for publicly held companies within the country of incorporation or where the security has a primary listing in Russia, including their subsidiaries • Fixed income – Debt instruments issued by Russian companies (as per Shares definition above), Russian sovereign bonds and bonds issued by Russian government-related entities (Rouble or foreign currency denominated) • Securities issued by companies holding Russian cash or having Russian foreign exchange exposure such as forward foreign exchange contracts • Securities issued by Russian companies sanctioned by Australia and related entities of sanctioned companies • Private markets assets (including property, infrastructure and other real assets as well as private companies) domiciled in Russia • Derivatives having Russian assets as primary exposure.

¹ Gross revenue in the last full financial year or, where not available, net revenues based on available company filings.

If a security is assessed as meeting the Exclusion Criteria (refer to section '4. Mercer Managed Investment Options - Exclusion list and exceptions' in this Booklet for details on how this assessment is completed), and is included on the Exclusion List, the investment managers will generally be expected to divest the investment within a reasonable period of time and as market conditions allow, subject to certain Exceptions. See section '4. Mercer Managed Investment Options - Exclusion list and exceptions' in this Booklet for more information.

3. Mercer Managed Investment Options – Mercer Sustainable Options

The Mercer Managed Investment Options include sustainable investment options, the Mercer Sustainable Options, which provide members access to sustainable labelled options that invest in multiple asset classes and incorporate an additional sustainability approach.

The Mercer Sustainable Options include:

- Mercer Sustainable High Growth
- Taxed Mercer Sustainable High Growth
- Mercer Sustainable Conservative Growth
- Taxed Mercer Sustainable Conservative Growth.

Additional sustainability approach

The assets of the Mercer Sustainable Options within the Global Shares and Global Credit asset classes are invested in Mercer Investments managed sustainable-labelled Collective Investment Vehicles (CIVs) which incorporate additional sustainable investment considerations into their investment process.

The additional sustainability approach includes:

- Appointing underlying investment managers with ESG integration capability or who actively seek a higher proportion of investments linked to sustainability themes in some underlying asset classes than would typically be included in investment options that are not labelled as sustainable; and
- Seeking to reduce investments that meet the Additional Exclusions Criteria outlined in the table on the following page.

Additional Exclusion Criteria for the Mercer Sustainable Options

In addition to the Exclusion Criteria outlined in section '2. Mercer Managed Investment Options - Exclusions', the Additional Exclusion Criteria, detailed in the tables below, are applied to the Global Shares and Global Credit asset classes within the Mercer Sustainable Options. These Additional Exclusion Criteria are not applied to other asset classes within these options and are also subject to the Exceptions. Refer to section '4. Mercer Managed Investment Options - Exclusion list and Exceptions' in this Booklet for more information on how a security is assessed as meeting an Exclusion Criteria or Additional Exclusion Criteria and details on Exceptions or other factors beyond Mercer Investment's control which may mean that they are not able to apply. This means that the Mercer Sustainable Options may still be invested in companies that:

- Have shareholdings in excluded companies or securities
- Buy, sell or process products from excluded companies or securities
- Provide products and services to excluded companies or securities
- May not meet the Additional Exclusion Criteria.

Each Mercer Managed Investment Option can be invested in one or more asset classes such as Australian Shares, International Shares, Real Assets, Alternative Assets, Growth Fixed Interest or Defensive Fixed Interest and Cash. The Additional Exclusions Criteria does not apply to all asset classes or across all investments within a given asset class. You can check the underlying assets of your investment options at mercersuper.com.au/investments.

The Mercer Sustainable Options are available in the Mercer Super superannuation plans listed on the cover page of this document.

Global Shares Additional Exclusion Criteria

Additional Exclusion	Additional Exclusion Criteria
Nuclear weapons	Companies with involvement ¹ in the development and/or production of nuclear weapons.
Depleted uranium	Companies with involvement ¹ in the development and/or production of depleted uranium ammunition/armour.
Adult entertainment	Companies with a material exposure to adult entertainment, alcohol, or gambling, where materiality is defined as greater than 5% of revenue ² in the last financial year for producers and greater than 50% of revenue ² for distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.
Alcohol	
Gambling	
Live animal exports	Companies with involvement ¹ in live animal exports for the purpose of selling live animals for slaughter, husbandry and breeding subjects, including specialised transportation services specifically designed to facilitate live exports.
Thermal coal mining	Companies that derive greater than 5% of revenue ² from thermal coal mining.
Oil sands production	Companies that derive greater than 5% of their revenue ² from oil sands production.
Arctic drilling	Companies engaged in arctic drilling for oil and gas, including production or exploration.
Hydraulic fracking	Companies that derive greater than 5% of revenue ² from hydraulic fracking.
Uranium mining	Companies that derive greater than 5% of revenue ² from uranium mining.
Thermal coal power generation expansion	Companies with involvement ¹ in expansion of thermal coal power generation operations and plants.
Fossil fuels	<p>Companies that own proved or probable reserves in coal, oil or gas and derive greater than 5% of revenue² from exploration and/or extraction of coal, oil, or gas; or companies with a primary business activity in any of the excluded sub-sectors below:</p> <ul style="list-style-type: none"> • Oil and gas drilling • Oil and gas equipment and services • Integrated oil and gas • Oil and gas exploration and production • Thermal coal and consumable fossil fuels <p>Where referred to above, 'coal, oil or gas' includes fuels derived from conventional and unconventional sources such as tar sands or shale.</p>

¹ Involvement is determined by the third party ESG research provider, typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

² Gross revenue in the last full financial year or, where not available, net revenues based on available company filings.

Global Credit Additional Exclusion Criteria

Additional Exclusion	Additional Exclusion Criteria
Nuclear weapons	Companies with involvement ¹ in the development and/or production of nuclear weapons.
Depleted uranium	Companies with involvement ¹ in the development and/or production of depleted uranium ammunition/armour.
Tobacco	Companies with involvement ¹ in the production of tobacco, manufacture of nicotine alternatives or tobacco based products (regardless of revenue), including subsidiaries and joint ventures. Nicotine alternatives and tobacco-based products include, for example, nicotine vaping products e.g. 'vaping' devices and e-cigarettes. Any other company that derives greater than 10% of revenue ² from tobacco-related distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.
Cannabis	Companies that derive greater than 10% of revenue ² from cannabis (medicinal or recreational) production, distribution or services.
Adult entertainment	Companies with a material exposure to adult entertainment, alcohol or gambling, where materiality is defined as greater than 10% of revenue ² from production and/or distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.
Alcohol	
Gambling	
Live animal exports	Companies that derive greater than 10% of revenue ² from live animal export for the purpose of selling live animals for slaughter, husbandry and breeding subjects, including specialised transportation services specifically designed to facilitate live exports.
Animal fur production	Companies that derive greater than 5% of revenue ² from fur production.
Saudi Arabia	Saudi Arabian securities, defined by country of incorporation or where the security has a primary listing in Saudi Arabia, including subsidiaries.
Thermal coal mining	Companies that derive greater than 5% of revenue ² from thermal coal mining.
Oil sands production	Companies that derive greater than 5% of revenue ² from oil sands production.
Fossil fuels	<p>Companies that own proved or probable reserves in coal, oil or gas and derive greater than 15% of revenue² from exploration and/or extraction of coal, oil, or gas; or companies with a primary business activity in any of the excluded sub-sectors below:</p> <ul style="list-style-type: none"> • Oil and gas drilling • Oil and gas equipment and services • Integrated oil and gas • Oil and gas exploration and production • Thermal coal and consumable fossil fuels <p>Where referred to above, 'coal, oil or gas' includes fuels derived from conventional and unconventional sources such as tar sands or shale.</p>

¹ Involvement is determined by the third party ESG research provider, typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

² Gross revenue in the last full financial year or, where not available, net revenues based on available company filings.

Investment risk and return considerations

Applying additional exclusions in your superannuation investments may affect investment risks and returns. For example, the Mercer Sustainable Options may apply exclusions to investment in companies or sectors that aren't typically excluded in other investment options. If those excluded companies or sectors perform well or poorly in certain time periods, there may be differences in return outcomes compared to a benchmark or comparable option where those exclusions are not applied.

4. Mercer Managed Investment Options – Exclusion List and Exceptions

Determining whether companies or securities meet an Exclusion Criteria or any Additional Exclusion Criteria

Mercer Investments engages a third party research provider to create a list of excluded securities (Exclusion List) based on the Exclusion Criteria or any applicable Additional Exclusion Criteria. The research provider has defined evaluation rules and methodology frameworks, underpinning their assessment of which companies or securities to include on the Exclusion List. Mercer Investments conducts due diligence on the provider to determine whether their research processes and methodologies are sound for producing an Exclusion List reasonably aligned to the intent of the criteria. The Exclusion List is typically updated on a quarterly basis and made available to the investment managers, as relevant.

In addition to the Exclusion List, Mercer Investments may provide the Exclusion Criteria and Additional Exclusion Criteria to the investment managers and request them to seek to identify other securities that meet the Exclusion Criteria or Additional Exclusion Criteria.

The application of exclusions is generally determined by the nature of the holdings, specifically whether the holdings are 'direct' or 'indirect'.

Direct Holdings generally mean securities held directly by the Mercer Investments custodian under an investment management agreement with a third-party investment manager.

Indirect Holdings generally mean securities held within a CIV that is not managed by Mercer Investments, such as a derivative, exchange traded vehicle, or other structure managed by a third-party investment manager or traded on an exchange.

Exclusions mainly apply to Direct Holdings and may not be able to be applied to Indirect Holdings.

Exceptions

Indirect Holdings in Mercer Managed Investment Options (including the Mercer Sustainable Options) may have exposure to companies or securities that are on the Exclusion List or may meet the Exclusion Criteria or (in relation to the Mercer Sustainable Options) Additional Exclusion Criteria.

Direct Holdings may also contain investments, by exception, that would otherwise meet the Exclusion Criteria or Additional Exclusion Criteria, in the following circumstances:

- **Asset transitions:** There are instances when assets are transitioned into the Mercer Managed Investment Options. In these instances, it may take time for transitioned assets to align with the Exclusion Criteria or Additional Exclusion Criteria, as applicable. In these instances, there may be a period of time when Mercer Managed Investment Options are exposed to securities that meet the Exclusion Criteria or Additional Exclusion Criteria and investment managers appointed to manage these assets will usually be instructed to implement the Exclusion Criteria outlined above as market conditions allow and in the best financial interests of members.
- **Discretion:** In limited circumstances, investment managers may be able to continue to hold or acquire a company meeting the Exclusion Criteria. This includes where a movement above an exclusion threshold may be temporary, due to market movements or data lags, or where the investment is material to achieving investment objectives, in which case Mercer Investments will continue to monitor the investment and instruct investment managers to divest only if it is in the best financial interests of members.
- **Other factors beyond Mercer Investments' control:** There remain some factors, as outlined in the examples below, that mean a Mercer Managed Investment Option may have exposure within Direct Holdings to a company or security that meets an Exclusion Criteria.

Examples: Operational or structural constraints, different definitions and methodologies of research providers or where there is a change of revenue over a reporting period, data or calculation methodologies.

Subject to the Exceptions outlined above, if a security is included on the Exclusion List, the investment managers of Direct Holdings will generally be expected to divest the investment within a reasonable period of time (typically within 10 business days) and as market conditions allow and in the best interests of members.

5. Mercer Managed Investment Options – ESG integration

Where relevant and aligned with achieving investment objectives, Mercer Investments aims to appoint investment managers, for the Mercer Funds and Advance Funds which the Mercer Managed Investment Options invest in, who assess and reflect ESG risks and opportunities when they select securities or assets and construct portfolios. Mercer Investments acknowledges that the degree of relevance or materiality varies across asset classes and type of investment strategy.

The table below contains examples of ESG factors which may be considered by the appointed investment managers:

Environmental factors
<ul style="list-style-type: none"> • Climate change • Water security • Waste and pollution • Biodiversity
Social factors
<ul style="list-style-type: none"> • Health and safety • Labour standards and modern slavery, including supply chains • Human rights • Demographics/consumption
Governance factors
<ul style="list-style-type: none"> • Board diversity, composition and effectiveness • Executive remuneration • Conduct, culture and ethics • Shareholder rights

An investment manager’s ESG capabilities and the extent of ESG integration within a strategy form an important part of Mercer Investments’ investment manager selection process. During the investment manager selection process and on a periodic basis, Mercer Investments will qualitatively assess an investment strategy’s level of ESG integration in the investment process, including ESG resourcing by the investment manager. This is done by drawing on the ESG ratings and commentary (ESG Ratings) from the Mercer Manager Research team (MMR). MMR’s ESG Ratings range from ESG1 being the highest, to ESG4 being the lowest. MMR largely undertakes a qualitative assessment of an investment manager’s ESG capabilities based on desk-based research as well as meeting with their key investment and ESG personnel.

Where relevant and aligned with the investment strategy and objectives of the investment option, Mercer Investments has a preference to appoint investment managers with higher ESG Ratings rather than lower.

Mercer Investments may engage with its appointed investment managers, particularly those with a lower ESG rating, to encourage them to improve their ESG integration practices. Mercer Investments may also engage with appointed investment managers to seek alignment with Mercer Investments’ ESG priorities such as climate change and modern slavery.

More information about Mercer Investment’s ESG Ratings is available in 'Appendix 1. Mercer Managed Investment Options - ESG Ratings' in this Booklet.

6. Mercer Managed Investment Options – Climate change

For the Mercer Managed Investment Options, Mercer believes that limiting global average temperature increases this century to ‘well below 2°C’, as per the 2015 Paris Agreement, is likely to be aligned with the best financial outcome for long-term diversified investors.

Mercer supports this end goal and seeks to align portfolios with that objective, where this is also consistent with meeting stated investment objectives. This is demonstrated by the MAPL target to achieve net zero absolute carbon emissions¹ for Mercer Investments' Australian funds under management in aggregate, including the Mercer Managed Investment Options, as at the time of announcement in 2021 by 2050 with an expectation to reduce emissions by 45% from 2020 baseline levels by 2030.² Achieving the net zero target relies on some key assumptions including:

- The prevalent climate science at the time the target was set, recommending a net zero target date of 2050.
- Mercer’s climate scenario analysis, indicating a 2°C or below scenario is in investors’ best financial interests.
- The availability of sufficient investment strategies, solutions, asset level climate data and industry frameworks that allow investors across asset classes to decarbonise while meeting investment objectives.
- An expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met.

The target is expected to be met by following a climate transition plan (the Climate Plan). The Climate Plan broadly aims for:

- An approach to decarbonisation which is broadly aligned with the commitments of the Paris Agreement, but accounting for the transition occurring in the real economy and understanding the different transition capacity by asset class, given liquidity and sector exposures.
- A reduction in atmospheric carbon emissions as opposed to just portfolio carbon emissions. This is measured by absolute emissions per dollar invested.

Where relevant and consistent with meeting the stated investment objectives, the Climate Plan seeks to incorporate key sustainable investment principles as follows:

- Integration – incorporating climate metrics in portfolio management including manager monitoring and strategic asset allocation modelling.

- Active ownership – engaging with appointed investment managers, via collaborative initiatives or directly with companies to support decarbonisation and orderly climate transition.
- Sustainability themed investment – including exposure to investment managers that identify longer-term environmental and social themes and seek to invest in companies delivering solutions to environmental and social challenges.

Progress towards achieving the stated target will be monitored on a regular basis, typically annually, considering absolute emissions and carbon intensity reductions, together with transition capacity using Mercer’s proprietary Analytics for Climate Transition (ACT) tool.

The ACT tool assesses portfolios across a spectrum of carbon risk, with portfolios ranked from low transition capacity to investments that are low carbon risk/zero carbon already, or are providing climate solutions.

Mercer seeks to align its approach to climate change with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Where relevant, Mercer also prefers its investment managers to make disclosures consistent with the TCFD recommendations.

1 Defined as absolute carbon emissions, per \$M of FUM and Scope 1&2 for the MAPL investment funds in aggregate.

2 Per dollar of assets under management.

7. Mercer Managed Investment Options – Sustainability-themed investing

The trustee believes that including exposure to investment managers that identify longer-term environmental and social themes and who seek to invest in companies delivering solutions to environmental and social challenges is likely to lead to new investment opportunities. Examples of these sustainability themed investment opportunities could be safe and accessible water, sustainable agriculture, renewable energy, green buildings and lower carbon tilted portfolios.

Mercer Investment's investment manager selection and monitoring processes (see 'Appendix 1. Mercer Managed Investment Options - ESG Ratings' in this Booklet for more information), as well as strategic asset allocation reviews, for the Mercer Managed Investment Options, may seek to consider including sustainability themed investment opportunities where this is aligned with the investment strategy and objectives.

Further, sustainability-labelled Mercer Managed Investment Options may aim for a higher allocation to sustainability themes via the appointed investment managers. See section '3. Mercer Managed Investment Options - Mercer Sustainable Options' in this Booklet for the sustainability criteria that apply.

8. Mercer Managed Investment Options – Active Ownership

The trustee believes that active ownership helps the realisation of long-term investor value through voting and engagement.

For the Mercer Managed Investment Options, Mercer Investments will undertake active ownership activities on behalf of the trustee under the implemented consulting arrangement, which encompasses the following types of activities.

Share voting

As a shareholder of publicly listed companies, Mercer Investments has the right to vote at shareholder meetings and regards voting these shares as an important fiduciary responsibility.

Mercer Investments outsources proxy voting responsibility to its listed equity investment managers and, where practically possible, expects the listed equity investment managers to vote shares in a timely manner and in a manner deemed most likely to protect and enhance long-term value. Typically, an investment manager's capability in active ownership is evaluated as part of the investment manager selection process, to seek alignment with Mercer Investments' commitment to good governance and long-term value creation.

Mercer Investments expects its listed equity investment managers and the trustees or managers of collective investment vehicles in which the Mercer Managed Investment Options are invested to establish their own voting policy that sets out the principles and guidelines under which rights to vote are exercised.

Mercer Investments engages the services of a third-party proxy advisor to provide proxy voting research and facilitate the collation and reporting of proxy voting data. Mercer's proxy voting records, where available, can be found at www.multimanager.mercer.com.au/funds/sustainable-investment and are updated semi-annually.

From time to time, an option may hold listed equities in a transition account where the transition manager does not have a voting policy or capability. In these instances, Mercer Investments will seek to vote the shares in the transition account in alignment with the recommendations of the proxy advisor.

Exercising a Super Vote

While proxy voting decisions are typically outsourced to the listed equity investment managers, Mercer Investments retains the right to instruct the listed equity investment managers on how to vote the shares in its account. When this is done, it is called exercising a Super Vote. Typically, a Super Vote is exercised when Mercer Investments considers it is in the best interests of investors, including members. In determining such votes, Mercer Investments may consider

its proxy advisor's recommendation, the view of its listed equity investment managers and best practice industry standards and governance guidelines. Mercer Investments may also conduct its own research or engage with the relevant company to inform its decision on a Super Vote. The trustee may also request that Mercer Investments consider arranging a Super Vote.

Vote exceptions

Mercer Investments' objective is to vote all listed shares on a best endeavors basis. However, there may be circumstances where despite best endeavours of the investment manager, they may be unable to participate in a vote. There may also be circumstances where the investment manager or Mercer Investments decide that abstaining from a vote may be in the best interests of investors, including members. Further details of the circumstances through which voting exceptions can occur can be made available to members upon request.

Engagement

Engagement may be undertaken with companies or policy makers via appointed investment managers, trustees or managers, collaborative initiatives and/or directly by Mercer Investments or the trustee. Engagement would generally be undertaken through one of these channels where it is believed to be in the best interests of members. Company engagement has the potential to enhance the long-term value of the company by seeking to address material ESG matters of concern.

Examples include engagement on key sustainable investment topics such as climate change or modern slavery, or when Mercer Investments becomes aware of matters of material ESG concern at a company level, such as a high severity incident under the United Nations Global Compact (UNGC) principles.

Mercer Investments may use a range of inputs to determine when engagement may be warranted. These include but are not limited to ESG research from an external provider, information gained through collaborative initiatives, Mercer's proprietary sustainable investment research or tools, information gained through engagement with investment managers or ESG portfolio analysis.

9. Macquarie Managed Investment Options

The information in this section of the Booklet is only applicable to the Macquarie Managed Investment Options which are only available to the members of the Macquarie Group Super Plan in the CSD of the Mercer Super Trust. Sections 2 to 8, Section 10 and the Appendix of this Booklet do not apply to the Macquarie Managed Investment Options.

Macquarie Asset Management, which is Macquarie Group's asset management business, is a signatory to the UN Principles for Responsible Investment (UNPRI) and invests with long-term horizons, and it seeks to minimise risk, and maximise returns based on the relevant investment objective. It recognises that ESG factors are important for assessing investment risk and that positive performance in these factors may be a potential indicator of management quality and operational performance, which have the potential to create long-term value.

Each individual investment team is responsible for determining whether and how it will identify and incorporate ESG considerations into the investment process and, to the extent relevant, their impact on the selection, retention and/or realisation of the investments of the investment options.

While these options do consider certain ESG factors, they are not designed for members whose primary objectives include consideration of ESG factors or meeting specific ESG goals. Consideration of ESG factors does not imply that they are marketed or authorised as ESG investment options.

Macquarie Balanced Growth

The Macquarie Balanced Growth investment option is a diversified investment option that provides exposure to traditional asset classes such as fixed income and equities as well as uncorrelated return strategies, such as alternatives. Macquarie's approach to ESG varies depending on the asset type and while certain asset classes within this investment option may consider ESG factors, ESG factors are not the primary objectives of the investment option nor primary considerations in the investment process. The Macquarie Balanced Growth investment option is not designed for investors whose primary objectives include consideration of ESG factors or meeting specific ESG goals, either by screening out particular types of companies or investments for ESG purposes, or as part of the investment process. Consideration of ESG factors does not imply that this investment option is marketed or authorised as an ESG product.

For information on the approach to ESG in respect of fixed income and cash, refer to the 'Macquarie Core Plus Australian Fixed Interest' below. For information on the approach to ESG in respect of listed equities, refer to the 'Macquarie Wholesale Australian Equities, Macquarie Australian Small Companies, Macquarie Property Securities' below. The

investment option may have up to 25% exposure in alternative assets, for which ESG considerations are not taken into account.

Macquarie Wholesale Australian Equities, Macquarie Australian Small Companies, Macquarie Property Securities

Macquarie considers ESG risks in its overall investment process and in the context of other considerations. However, ESG factors are not the primary objectives of these investment options nor primary considerations in the investment process. While these investment options do take into account certain ESG factors and apply negative investment screens, they are not designed for members whose primary objectives include consideration of ESG factors or meeting specific ESG goals, either by screening out particular types of companies or investments for ESG purposes, or as part of the investment process. Consideration of ESG factors does not imply that these investment options are marketed or authorised as ESG products.

Macquarie uses a proprietary ratings framework to assess these risks across the investible universe. Macquarie also considers the potential influence of ESG factors, including labour standards, environmental, social and ethical considerations such as carbon emissions and reduction, modern slavery and corporate governance, on long-term company performance.

Company-specific ESG scores are calculated based on publicly available company level data for each ESG factor such as annual reports and external data sources such as a company's carbon intensity score.

The proprietary ESG scores assigned to a company are assessed by the investment team in conjunction with our corporate governance score, recognising the correlation between responsible corporate governance practices and positive ESG outcomes. Macquarie considers the scores and any changes in the investment team's ESG ranking for a company (both positive and negative) alongside other factors, including traditional financial metrics, when determining whether to acquire, retain or dispose of an investment.

It is important to note that the existence of negative ESG factors do not necessarily preclude Macquarie from investing in a security. Material ESG risks are assessed in the context of the overall issuer and security within the investment decision-making process. The proprietary ratings methodology is supplemented by access to external tools and resources. From time to time, sustainable investment data may be incomplete, inaccurate or unavailable, resulting in certain investments being incorrectly included or excluded from the investment option.

These options do not invest directly¹ in companies that are classified as being:

- In the ‘tobacco’ industry according to the Global Industry Classification Standard (GICS[®]), defined as manufacturers of cigarette and other tobacco products. A company will generally be classified to this sub-industry classification where this definition most closely describes the business activities that generate more than 60% of the company’s revenue. The primary source of information used for classification is a company’s annual reports and accounts. Other sources include broker reports and other published research literature. The classification is assigned at the company level; meaning all securities, equities or corporate bonds issued by the company will have the same GICS[®] classification as the company. However, if a company’s subsidiary files separate financials, that subsidiary is classified independently under GICS[®]. GICS[®] is not assigned to supnationals, municipals, sovereigns, shell companies, mutual funds, exchange traded funds, or
- Involved in ‘controversial weapons’ determined using third-party data, being companies that are flagged as being directly involved in the manufacturing of cluster munitions, anti-personal landmines, and/or biological and chemical weapons, where, as determined by the Investment Manager, revenue generated exceeds 5% of total gross revenue based on reported revenues, or where revenues are not reported, based on estimated revenue. This category includes companies that wholly own another company with such involvement, or
- Involved in ‘adult entertainment’ determined using third-party data, being companies that are flagged as companies that may be involved in the production or distribution of adult entertainment and/or own/operate adult entertainment establishments, where, as determined by the Investment Manager, revenue generated from such involvement exceeds 5% of total gross revenue based on reported revenues or, where revenues are not reported, based on estimated revenue. This category includes companies that own 10% or more of another company with such involvement.

These investment options may have incidental indirect exposure to companies that are defined as ‘tobacco’, ‘controversial weapons’ or ‘adult entertainment’ securities through other investments, such as exchange traded funds, derivatives and other financial instruments. These investment options may have exposure to securities of companies involved in tobacco that are not classified under GICS[®].

“GICS” is the trademark of Standard & Poor’s Financial Services LLC and MSCI.

Macquarie uses a combination of company engagement and proxy voting to engage with companies on ESG issues. At the core of Macquarie’s engagement strategy is positive and proactive engagement with select companies, with the aim being to improve a process, disclosure or environmental/societal outcome. The nature and frequency of the dialogue depends on the portfolio weighting, stage of the engagement, severity of the issue and the willingness of the company to engage.

Macquarie’s assessment of ESG factors is predominantly done systematically through quantitative modelling. Factors feeding into this quantitative modelling (including those related to ESG risks) are reviewed periodically by the investment team. Application of the negative screen is monitored on an ongoing basis. Macquarie will seek to remove an investment that meets the negative screening criteria as soon as reasonably practicable, while seeking to minimise the impact on the investment option.

Macquarie Core Plus Australian Fixed Interest

Macquarie considers ESG factors as part of the overall assessment of an investment case and in the context of other considerations. However, ESG factors are not the primary objectives of this investment option nor primary considerations in the investment process. While this investment option does take into account certain ESG factors, it is not designed for members whose primary objectives include consideration of ESG factors or meeting specific ESG goals, either by screening out particular types of companies or investments for ESG purposes, or as part of the investment process. Consideration of ESG factors does not imply that this investment option is marketed or authorised as an ESG product.

Macquarie considers ESG factors from a bondholder perspective with a view to manage downside risk by avoiding issues that may suffer credit quality deterioration and to identify potential investment opportunities. Examples within the context of fixed income investments include an issuer’s ESG policy and disclosures (whether they are comprehensive and transparent), an issuer’s net zero commitment, environmental clean-up provisions, governance matters such as management quality and board composition, and social matters or labour standards such as modern slavery risks. Macquarie uses a proprietary ESG risk ratings framework to assess ESG factors at the security level. ESG ratings are tailored based on whether the security is issued by a corporate, developed sovereign or emerging market debt issuer.

- Corporate ESG analysis

Relevant ESG factors are taken into account as part of the credit analysis process with a focus on assessing whether ESG issues may lead to downside credit risk. ESG factors are also considered in the context of business operations, potential impact on financial positioning and performance,

¹ This does not apply to indirect investments. For example, where investments are made via investment vehicles such as Exchange Traded Funds, derivatives or other financial instruments.

and in comparison to peers. The factors are analysed in relation to identifying historical trends in the data obtained (such as emissions intensity from company disclosure or third-party database). Specifically, the credit analysts consider the following types of questions when conducting an ESG assessment on a corporate issuer:

- What are the material ESG risks/opportunities facing the industry the company is in?
- How exposed is the issuer to these risks/opportunities?
- How well is the issuer managing the exposure?
- How well can an issuer manage potential negative ESG-related shocks from a credit perspective?

The analysts will then rate the issuers with a low, medium or high ESG risk rating, which is driven by the assessment of the issuer company's ability to manage and respond to existing or potential ESG risk events. The rating identifies the potential for unexpected costs to arise from poor ESG performance. It is important to note that a high ESG risk rating does not necessarily preclude Macquarie from investing in a security. The rating is considered in the context of the overall issuer and security such as financial factors, relative valuation of the security, and whether the issuer company is committed to a turnaround/mitigation plan for its negative ESG attributes. All considerations, ESG and non-ESG related, will then flow through to the final investment decision.

- Developed sovereign ESG analysis

Macquarie's in-house developed markets sovereign ESG model ranks a country on a number of ESG sub-measures and then amalgamates these rankings on an equally weighted basis to score each country on how well it is performing in E, S, and G and then overall ESG. ESG sub-measures include environmental inputs such as emissions, social inputs such as civil liberties and economic freedom, and governance inputs such as corruption, political stability and rule of law. The scores are scaled to give each country (as well as Australian states) a score from 0 (worst) to 1,000 (best); a higher score indicates better overall ESG performance or lower ESG risk. Countries that score below 400 are ineligible for investment.

- Emerging market sovereign ESG analysis

Macquarie scores emerging market sovereign debt securities using its proprietary emerging market sovereign ESG quantitative framework, which produces proprietary income-adjusted ESG composite scores based on individual scores on various E, S and G variables. These variables include environmental measures such as emissions, social measures such as civil liberties and economic freedom, and governance measures such as corruption, political stability and rule of law. Macquarie then take an average of the scores in each E, S, G category, for each country, before adjusting the income for each (that is, adjusting for the level of economic development) to produce the income-adjusted E, S and G scores. Those emerging market sovereign debt securities in the lowest quartile are excluded from investment.

The proprietary ESG risk ratings framework is supplemented by access to external tools and resources which may be embedded into the methodology. Certain investment data may be incomplete, inaccurate or unavailable from time to time, resulting in certain investments being incorrectly included or excluded from the portfolios.

Macquarie undertakes engagement with company management from the perspective of a bondholder. As with all debt investors, the investments do not have attached voting rights. This makes it difficult for the investment team to have the same level of engagement as would be the case for an equity investor. Where relevant, Macquarie will seek to engage with company management on ESG related issues as part of the analysis of debt issuance from these companies.

10. JANA Managed Investment Options

The information in this section of the Booklet is only applicable to the JANA Ready-made investment options available in Mercer Tailored Super and Mercer Tailored Super - MyChoice, both available in the CSD of the Mercer Super Trust.

JANA's philosophy is that consideration of ESG factors leads to better-informed investment decisions and are fundamental to achieving sustainable, long-term returns. ESG is therefore an aspect integrated in its research and advice. JANA believes ESG risks should be considered alongside other portfolio risks and form part of the holistic investment decision-making process.

JANA requires underlying investment managers to have sound practices to identify and manage ESG factors and any potential risks and opportunities that may arise, and to incorporate these factors in investment analysis and decision making, where appropriate. JANA assesses investment managers' ESG credentials through a due diligence process prior to selection.

JANA assigns an ESG rating to all invested and active status investment strategies (including those managers contained within the JANA Managed Investment Options). These are qualitative ratings and represent JANA's assessment of the strategy relative to comparable strategies in the relevant peer universe. The ESG ratings capture JANA's assessment of the investment manager's ESG capabilities, relative to their peers, which is consistent with JANA's broader investment manager due diligence approach. JANA's dedicated asset class research team, Sustainability Champions and its ESG Assessment Framework ensures ESG considerations are captured throughout JANA's investment manager research.

JANA monitors its appointed investment managers to assess how they manage ESG factors within their investment portfolios on an ongoing basis. These investment managers must maintain appropriate processes that enable them to manage ESG factors in order to be retained.

JANA is a signatory to the Principles of Responsible Investment (PRI), and has signed up to the Net Zero Investment Consultants Initiative (NZICI) to support the global goal of net zero greenhouse gas emissions by 2050. JANA is also a member of the Responsible Investment Association of Australasia (RIAA), the Investor Group on Climate Change (IGCC), and the Australian Sustainable Finance Institute (ASFI).

While ESG factors are taken into account within the JANA Managed Investment Options, they are not designed for members whose primary objectives include consideration of ESG factors or meeting specific ESG goals. Consideration by JANA of ESG factors does not imply that these investment options are marketed or authorised as ESG investment options.

Appendix 1. Mercer Managed Investment Options – ESG Ratings

The Mercer Manager Research (MMR) ESG Ratings represent the MMR assessment of the extent to which ESG and active ownership (voting and engagement) are integrated into a strategy’s investment decision making process. The four factors against which a manager’s investment strategy is assessed for the Mercer Managed Investment Options are as follows:

ESG integration in the Four-Factor Framework	
Idea Generation	How does the investment team identify ESG risks and opportunities at the portfolio level? How are ideas sourced? How is the materiality determined and incorporated into financial analysis?
Portfolio Construction	How effectively does the portfolio manager translate ESG views into active positions in the portfolio?
Implementation (Stewardship)	To what extent does the portfolio manager engage on ESG topics at the portfolio level? How has the engagement led to a change in portfolio positioning and/or the investment horizon? What efforts does the manager make to minimise portfolio turnover?
Business Management (Firm-wide commitment)	To what extent do the business leaders understand and support responsible investment and to what extent are these integrated across the business? What firm-wide beliefs, policies and responsible investment strategies are in place?

The ESG ratings represent MMR’s view of the investment manager’s capability in terms of what they are doing across the four factors: idea generation; portfolio construction; implementation (voting and engagement); and firm-wide commitment. The ratings are as below:

ESG1	The highest ESG rating is assigned to strategies that MMR believe to be leaders in integrating ESG and active ownership into their core processes, and that provide clear evidence that ESG overall, or a particular ESG theme, is embedded and core to idea generation and portfolio construction.
ESG2	The second highest rating is assigned to strategies that, in MMR’s view, include ESG factors as a consistent part of decision making, with a strong focus on risk in valuation processes and commitment at the firm wide level, including on active ownership.
ESG3	The penultimate rating is assigned to strategies for which, in MMR’s view, the manager has made some progress with respect to ESG integration and/or active ownership, particularly on corporate governance, but for which there is little evidence that ESG factors are taken into consideration consistently in valuations and investment processes.
ESG4	The lowest ESG rating is assigned to strategies for which, in MMR’s view, little to no integration on ESG and active ownership into their core processes.

For passive strategies, MMR apply an ESGp1 through to ESGp4 scale. There are two key distinctions between ESG ratings for passive and active strategies. First, for passive, the bulk of the focus is on voting and engagement practices. Second, most of MMR analysis focuses on firm-wide levels of commitment rather than at the individual strategy level.

The following rating scale will apply, to passive equity strategies only:

ESGp1	The firm is a leader in its stewardship activities, undertaking voting and engagement activities at a global level, rather than at just a regional level. Policies are clearly articulated, and transparent, with the resources, expertise and systems in place to ensure these activities are implemented effectively. Engagement is undertaken and typically done at the company, industry and regulatory level. Voting policies also proactively address environmental and social issues in order for the team to vote effectively and engage with companies (rather than abstaining or focusing only on governance issues), and there is a clear link between the voting policies, engagement agendas and voting actions.
ESGp2	This rating will typically indicate the manager has made clear efforts to develop a process for its voting and engagement activities, but lags the best practices in some respect (e.g. regionally strong, but working towards developing a global presence; demonstrates some strength in company and industry engagement, but not in engaging with regulatory bodies, lack of full visibility on the link between voting actions).
ESGp3	Managers will have some dedicated resources in place and will demonstrate some but not all characteristics of the above ratings 1-2, but the primary focus is likely to be only on governance aspects of voting and engagement. Voting and engagement will also tend to be at the regional level rather than global.
ESGp4	Managers will have few resources in place and will demonstrate some but not all characteristics of the above ratings 1-2, but will not have the same level of disclosure. Voting will typically be outsourced with limited oversight and little or no evidence of engagement. Efforts to address environmental and/or social issues, either within voting or engagement, will be limited or absent.

Glossary

Additional Exclusion Criteria

All Mercer Sustainable Options invest in Mercer Investments managed sustainable-labelled CIVs which incorporate an additional exclusion criteria as detailed in section '3. Mercer Managed Investment Options - Mercer Sustainable Options' in this Booklet. This is in addition to the exclusion criteria as detailed in section '2. Mercer Managed Investment Options - Exclusions' in this Booklet. Refer to section '4. Mercer Managed Investment Options – Exclusion list and Exceptions' in this Booklet for more information on how a security is assessed as meeting an Exclusion Criteria or Additional Exclusion Criteria and details on Exceptions or other factors beyond Mercer Investment's control which may mean that they are not able to apply.

Collective Investment Vehicle (CIV)

A collective investment vehicle allows investors to pool their money and invest the pooled funds, rather than buying securities directly as individuals. Collective investment vehicles are usually managed by a fund management company. In this Booklet, reference to:

- MIAL sustainable-labelled CIVs, refer to CIVs that are managed by Mercer Investments
- Third party CIVs or third party sustainable labelled CIVs, refer to CIVs that are managed by investment managers not affiliated with Mercer.

Direct Holdings

Direct Holdings generally means securities held within a CIV managed by a Mercer entity, including Mercer Investments, under an investment management agreement with a third party investment manager.

Exceptions

When Mercer Managed Investment Options have Indirect Holdings, they may have exposure to companies or securities that would meet the Exclusion Criteria. Direct Holdings may also contain investments, by exception that would otherwise meet the Exclusion Criteria, in the circumstances explained in Section 4.

Exclusion Criteria

All Mercer Managed Investment Options incorporate an exclusion criteria that apply to investments that are Direct Holdings as detailed in section '2. Mercer Managed Investment Options - Exclusions' in this Booklet. Refer to section '4. Mercer Managed Investment Options – Exclusion list and Exceptions' in this Booklet for more information on how a security is assessed as meeting an Exclusion Criteria or Additional Exclusion Criteria and details on Exceptions or other factors beyond Mercer Investment's control which may mean that they are not able to apply.

Exclusion List

A list of excluded securities created by a third party research provider, engaged by Mercer, based on the Exclusion Criteria or Additional Exclusion Criteria.

Indirect Holdings

Indirect Holdings generally means securities held within a CIV, which is not managed by a Mercer entity, such as a derivative, exchange traded vehicle, or other structure managed by a third party investment manager or traded on an exchange.

JANA Managed Investment Options

These are the JANA Ready-made investment options available in Mercer Tailored Super and Mercer Tailored Super - myChoice in the CSD of the Mercer Super Trust. The trustee has appointed JANA as an implemented consultant to provide investment strategy advice, portfolio management and implementation services including investment manager selection and monitoring in respect of these investment options. For information on all the investment options available in your Plan, please read your Plan's *Investments* booklet.

Macquarie Managed Investment Options

These are the Macquarie Ready-made investment options available in the Macquarie Group Super Plan available in the CSD of the Mercer Super Trust. The trustee has appointed MIAL as the implemented consultant. These options invest in funds for which Macquarie Investment Management Australia Limited acts as the responsible entity. For information on all the investment options available in your Plan, please read your Plan's *Investments* booklet.

Mercer Managed Investment Options

Mercer Super Trust investment options that invest in the Mercer Funds and the Advance Funds and for which MIAL acts as implemented consultant. For information on all the investment options available in your Plan, please read your Plan's *Investments* booklet.

Mercer Direct

An investment option that provides access to a range of shares, Exchange Traded Funds (ETFs) and term deposits. For more details about the Mercer Direct investment option, please refer to the *Investments* booklet applicable to your Plan and the *Mercer Direct Member Guide* available at mercersuper.com.au/pds

Mercer Sustainable Options

The Mercer Sustainable Options are Mercer Managed Investment Options that incorporate an Additional Sustainability Approach as described in section '3. Mercer Managed Investment Options - Mercer Sustainable Options' in this Booklet.

The Mercer Sustainable options include the following investment options:

- Mercer Sustainable High Growth
- Taxed Mercer Sustainable High Growth
- Mercer Sustainable Conservative Growth
- Taxed Mercer Sustainable Conservative Growth.

Super Vote

Where Mercer Investments exercises its right to instruct listed equity investment managers on how to vote the shares in its account on voting items.

How to contact us

Phone

Call the Helpline on **1800 682 525** or if calling from outside Australia on **+61 3 8306 0900** from 8am to 7pm (AEST/AEDT) Monday to Friday.

We can help you in a number of languages, simply ask for a translator when you call.

Online

[mercersuper.com.au](https://www.mercersuper.com.au)

Our website is available 24 hours per day, seven days per week. However, the website may not be available when we need to carry out scheduled updates or maintenance. If, for any reason, our online services are not available, you may call the Helpline for assistance. If our online services are not available, we are not responsible for any loss because you were unable to perform transactions during that time.

Mail

Mercer Super Trust
GPO Box 4303
Melbourne VIC 3001

Please include your Plan name and your member number when writing to us.

Keep your contact details up to date

We can only send you information if we have your current contact details. You can update your details at [mercersuper.com.au](https://www.mercersuper.com.au) (sign in using your personal login) or call the Helpline.

If the law permits, we may send member communications to you electronically (including member statements and significant event notices) by:

- Email, and/or
- SMS, and/or
- A link to a website so you can download them.

We can also post any documents to you. When you receive your personal login details, simply update your communication preferences online under 'Personal Details' or call the Helpline.
