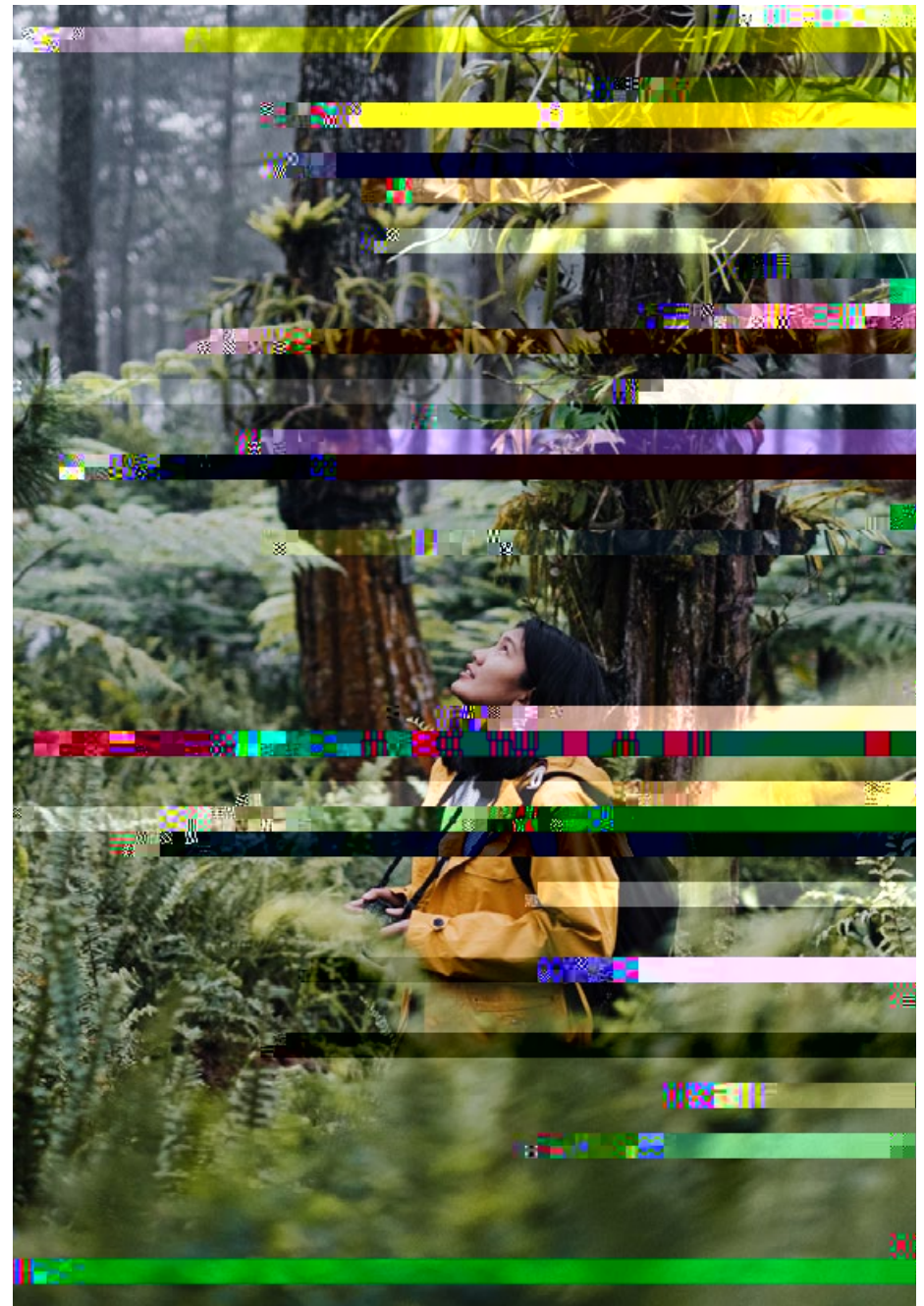


Our position on transition

Climate change presents a systemic risk, challenging investors to consider

We are seeing increasing demand for a rigorous and measurable approach



strategic, forward looking assessment of the risks and opportunities that arise from a transition to a low carbon

along a spectrum spanning high carbon intensity assets with low capacity to transition, to green assets, providing

Establishing transition capacity

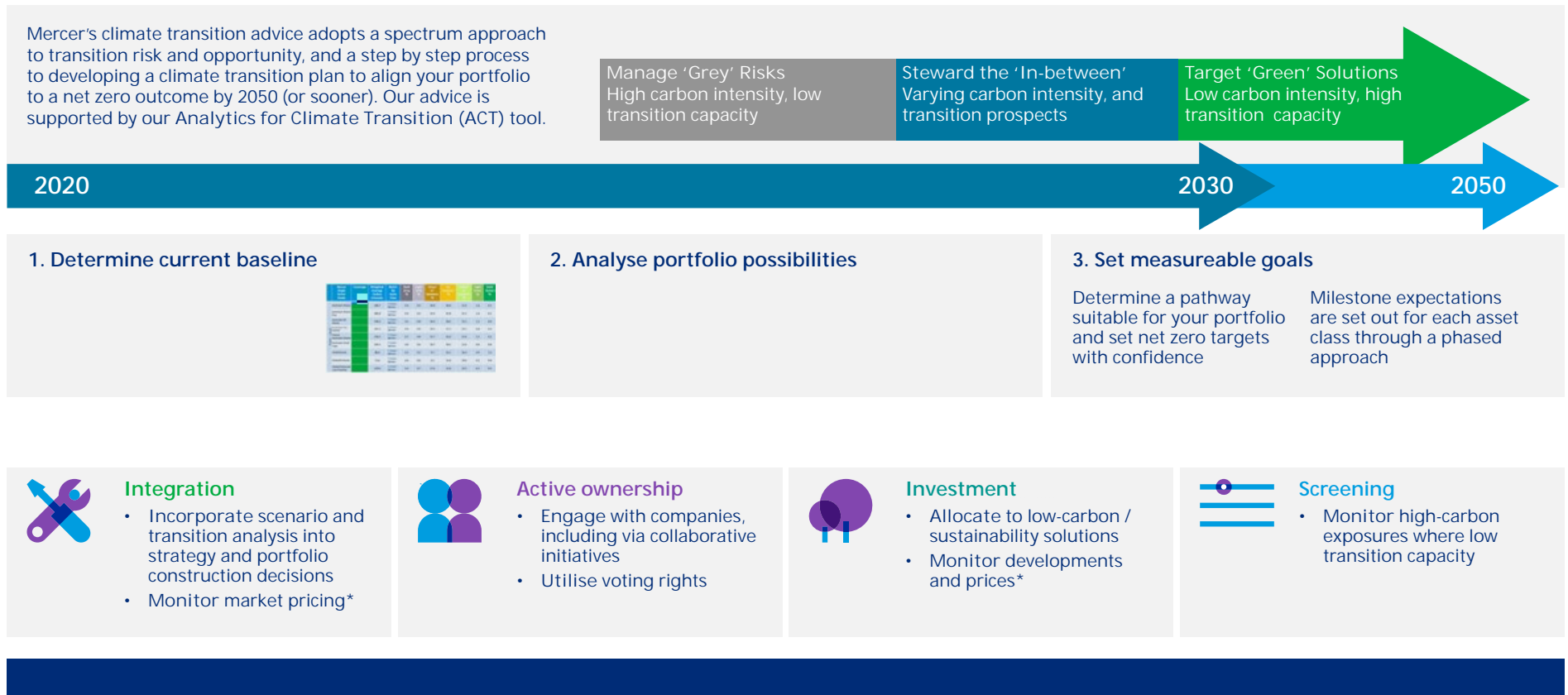
currently being generated across the portfolio and, at a more granular level,

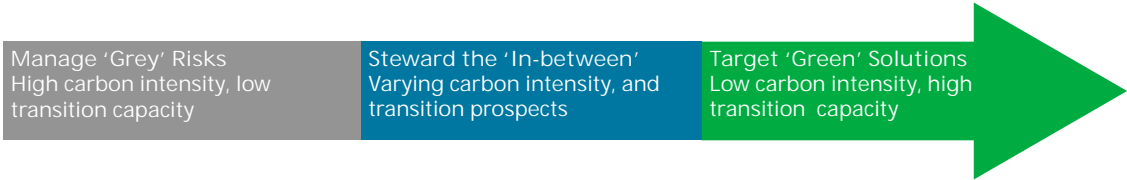
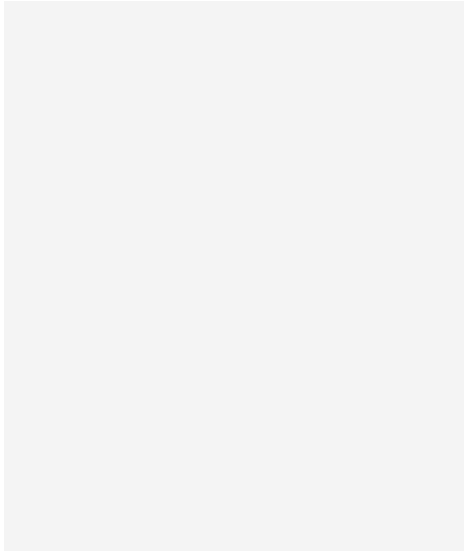
portfolios by their capacity to support annual emissions reductions (transition

capacity), prioritize active ownership of companies, and allocate to transition

that many companies lie somewhere in the middle, their capacity for future

Figure 1. Overview of the Analytics for Climate Transition (ACT)





● Dark grey ● Light grey

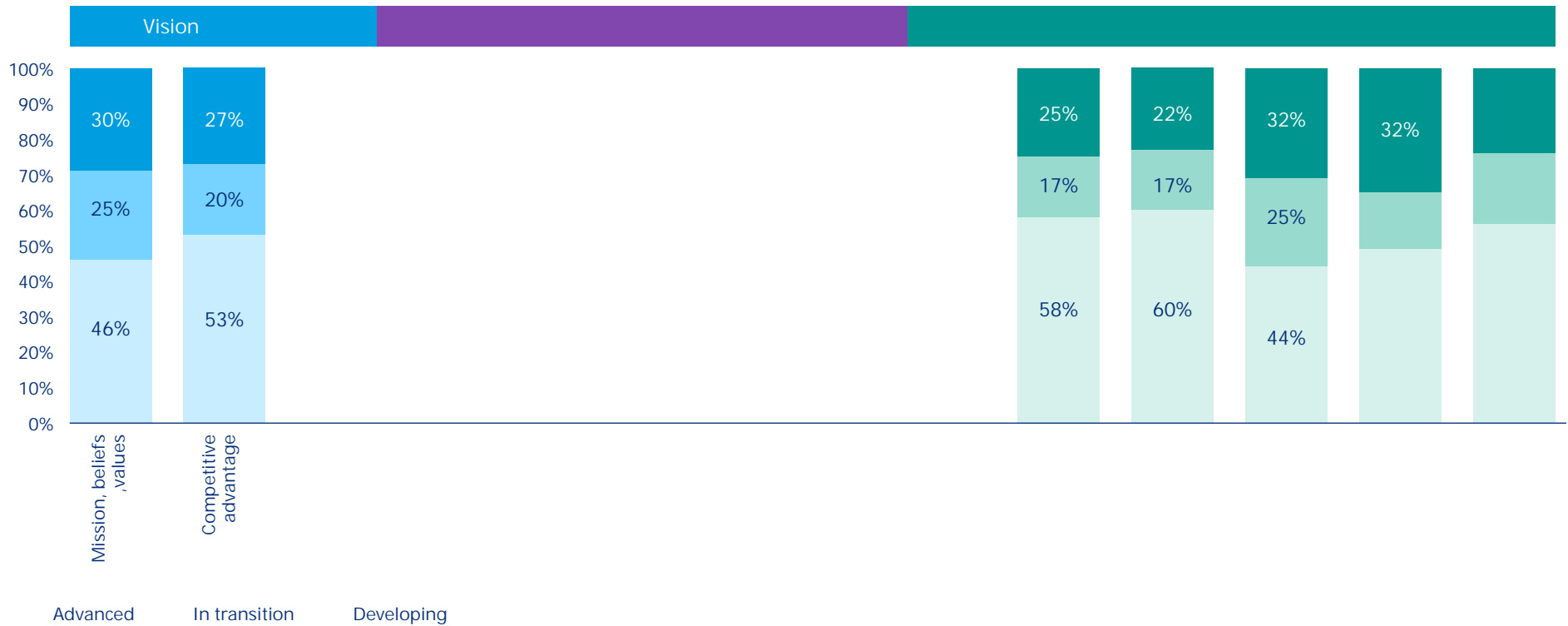
● % not assessed

We have found progress can then be measured against climate transition
ranges to facilitate dynamic portfolio management, using a climate transition or

1.

Vision, governance, implementation

the practices and frameworks of pioneering climate investors that can be



Source: Pacesetters: Setting the Tempo of Advanced Climate Investing, 8

climate data disclosures and measurement of adaptation improve, the adoption

plans can deliver a systematic approach to

Advancing a just transition:

in areas such as sustainable infrastructure across the globe, in turn supporting the number of strategies available to investors across developed and versus emerging markets evidences the scale of the opportunity for the development of solutions within the emerging markets universe of 741 in comparison to

8

Within markets, increased collaboration and coordination between stakeholder

More coordinated project planning and enhanced due diligence processes, for example, can support investors' consideration of the sustainability characteristics

9

While impact measurement and management practices have progressed

Sustainability research

We were one of the first consultants to explore ESG factors and implement them

® that inform investment decisions across

Meet some of our sustainable investment advice professionals

Our team comprises more than 20 dedicated professionals, supported by a

Mercer's advice and solutions teams are happy to talk about our experience to date and what we anticipate coming next in the path



Helga Birgden



Cara Williams



Max Messervy
Head of Sustainable

