



LEA 02	Discipline: Monetary	Principle: PRI 1, 2, 3
<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input checked="" type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in internal staff 	<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	
	<p>Collaborative engagements</p>	
	<p>Service provider engagements</p>	

RI TRANSPARENCY REPORT

2020

Mercy Investment Services, Inc.

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	-	n/a	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	-	n/a		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Mercy Investment Services, Inc.

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

Faith-Based Investment Organization

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

19

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 06.1

Select how you would like to disclose your asset class mix.

- as percentage breakdown
 as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	>50%
Fixed income	0	10-50%
Private equity	0	10-50%
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	10-50%
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	<10%	0
Cash	0	0
Money market instruments	0	<10%
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish asset class mix as per attached image [Optional].

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes

OO 06.4

Provide an approximate percentage breakdown of your off-balance sheet assets.

	Internally managed (%)	Externally managed (%)
[a] Monetary assets		
[b] Derivatives		1
[c] Cash		
[d] Trade finance		
[e] Other (1), specify		
[f] Other (2), specify		

No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

OO 09

Mandatory

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

Developed Markets

88

Emerging Markets

11

Frontier Markets

1

Other Markets

0

Total 100%

100%

OO 09.2

Additional information. [Optional]

Includes listed equities, fixed income, cash and money markets only. Excludes private equity (externally managed), hedge funds (externally managed), and inclusive finance (internally managed).

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We encourage, but do not require, external managers to engage with SSA bond issuers on ESG factors on our behalf.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We encourage, but do not require, external managers to engage with corporate bond issuers on ESG factors on our behalf.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

We encourage, but do not require, external managers to engage with corporate bond issuers on ESG factors on our behalf.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Inclusive finance

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="564 342 1474 423">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 439 1294 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 481 1329 508"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 524 1310 551"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 566 943 593"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="564 656 1474 736">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 752 1294 779"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 795 1329 822"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 837 1310 864"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 880 943 907"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="564 969 1474 1072">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1088 1294 1115"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1131 1329 1158"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1173 1310 1200"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1216 943 1243"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="564 1305 1474 1386">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1402 1294 1429"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1444 1329 1471"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1487 1310 1514"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1529 943 1556"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	<p data-bbox="564 1619 1474 1700">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1715 1294 1742"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1758 1329 1785"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1800 1310 1827"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1843 943 1870"><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p data-bbox="564 1933 1474 2013">Hedge funds - ESG incorporation addressed in your external manager</p>

	<p>selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Money market instruments	<p>Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input checked="" type="checkbox"/> We do not do ESG incorporation</p>

OO 11.3b | If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

Our use of money market instruments is limited to overnight sweep vehicles at our custodian, The Northern Trust Company. We have inquired regarding an ESG sweep option, but no products currently exist. We will continue to engage the Northern Trust Company regarding our interest.

OO 11.4 | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Through investment manager selection, appointment and monitoring processes, Mercy Investment Services has proactively appointed external managers with expertise in responsible investment, which includes implementing our negative screens and integrating investments in companies with positive environmental, social and governance records in one or more of the following: 1) employment or advancement of women and underrepresented populations; 2) diversity in governance through appropriate board membership of women and underrepresented populations; 3) just employment practices and vendor standards; 4) positive environmental record and/or effective environmental policies designed to reduce environmental impact and promote sustainability of life, especially water; 5) protection or advancement of human rights; 6) promotion of nonviolence; and 7) provision of funding for affordable and low-income housing, community development and education programs.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 | Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Other asset classes with dedicated modules

- Inclusive Finance

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private Equity

Closing module

- Closing module

Mercy Investment Services, Inc.

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Mercy Investment Services is committed to being a leading voice in socially responsible investing by utilizing:

- Portfolio Screens - Avoid investment in certain companies whose products, services or activities are notably contrary to these guiding principles and actively seek investments in companies whose activities demonstrate a positive record of accomplishment in matters aligned with the guiding principles of the Sisters of Mercy.
- Shareholder Advocacy - Actively promote changes in corporate practices to achieve social and economic justice, a sustainable Earth and the common good. As a means of speaking with a corporate voice and promoting systemic change in addressing our global reality, implement a comprehensive program of Shareholder Advocacy, in collaboration with others who share our commitment to human dignity, mercy and justice.
- Impact Investing - Use financial resources to assist in addressing underlying environmental and social justice issues to make investments in 1) low-income communities and underrepresented populations as a means of being responsive to basic human needs, addressing climate change, and promoting systemic change and justice, and 2) global projects for expanding renewable energy, energy and water efficiency, sustainable agriculture, green buildings, and materials recycling.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Mercy Investment Services, as a ministry of the Sisters of Mercy of the Americas, recognizes the moral imperative to work for a just and sustainable world, and embraces socially responsible investing as a means of promoting systemic change to respond to the critical needs of the time. Inspired by the mission, vision and Direction Statement of the Sisters of Mercy, Mercy Investment Services is committed to be a leading voice in socially responsible investing. We take our example from the legacy of Catherine McAuley, foundress of the Sisters of Mercy, who devoted her life and financial resources to the service of the poor, sick and uneducated, with a particular focus on women and children. She was a tireless advocate on behalf of those marginalized by society, and she collaborated with others to remedy the injustices of her day.

Mercy Investment Services recognizes that the investment of financial resources is itself a ministry of the Sisters of Mercy, which gives expression to our enduring concerns for the poor, sick and uneducated. Consistent with its role as a responsible social and financial steward of the invested assets of the Sisters of Mercy, Mercy Investment Services seeks to preserve and enhance the funds while utilizing investments congruent with the values and mission of the Sisters of Mercy, as amplified in the Direction Statement and

critical concerns of the Sisters of Mercy, acting in harmony with the Mercy International Association justice agenda, both locally and globally. In order to meet these goals, Mercy Investment Services will utilize Portfolio Screens, thereby avoiding investment in certain companies whose products, services or activities are notably contrary to these guiding principles. It will actively seek investments in companies whose activities demonstrate a positive record of accomplishment in matters aligned with the guiding principles of the Sisters of Mercy.

Mercy Investment Services will actively promote changes in corporate practices to achieve social and economic justice, a sustainable Earth and the common good. As a means of speaking with a corporate voice and promoting systemic change in addressing our global reality, Mercy Investment Services will implement a comprehensive program of Shareholder Advocacy, in collaboration with others who share our commitment to human dignity, mercy and justice. Through this program, Mercy Investment Services will engage companies by filing resolutions and participating in dialogues, educate on issues of concern, and vote proxies of companies owned in the investment portfolio.

We also recognize the critical role financial resources play in addressing underlying social justice issues, such as inadequate access to housing, jobs, education and health services in underserved communities, and in witnessing to our enduring concerns about creating a just and sustainable world. We affirm our commitment to investments in low-income communities and underrepresented populations as a means of being responsive to basic human needs, promoting systemic change and justice and as a prudent investment of our funds. Consequently, Mercy Investment Services will continue a Community Investing Program that was begun in 1995, known as Mercy Partnership Fund. We commit to a leadership role in community investing in both our significant funding of Mercy Partnership Fund and in our collaboration with others to respond to these global needs. These community investments are expected to preserve invested capital while earning less than market returns in exchange for their high social impact. Recognizing that addressing climate change is the greatest moral imperative of our time, Mercy Investment Services created the Environmental Solutions Fund in 2015, which funds mission-related, positive market-rate alternative investment projects focused on renewable energy, energy and water efficiency, materials recycling, green buildings, sustainable agriculture and sustainable forestry.

Mercy Investment Services' approach to ESG and socially responsible investing is defined in two policies: the Statement of Investment Policies and Objectives and the Social Responsibility Philosophy and Policy. These documents, which describe the essential components of our socially responsible investing program, are regularly reviewed and updated by the appropriate committees and proposed to the Board of Directors for approval, as appropriate.

In addition, recognizing that addressing climate change represents the greatest moral imperative of our time, Mercy Investment Services adopted a Statement on Climate Change in 2016, which describes the organization's efforts and the multiple approaches of company engagement, proactive investments in clean energy solutions, exclusion of certain sectors (thermal coal, oil sands), and the need for attention to our own carbon consumption. This policy is regularly reviewed and updated by the Social Responsibility Committee, as needed.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org>

Attachment (will be made public)

Attachment

[File 1:Investment Policy Statement Excerpt.pdf](#)

- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties
- Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/portfolio-screening.aspx>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/plan-goals-and-objectives.aspx>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

https://www.mercyinvestmentservices.org/2020%20Mercy%20Investment%20Services%20Proxy%20Voting%20Guidelines_FINAL.pdf

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.mercyinvestmentservices.org/portfolio-screening.aspx>

- Attachment
- Time horizon of your investment

URL/Attachment

- URL

URL

<https://www.mercyinvestmentservices.org/program-overview.aspx>

- Attachment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL
- Attachment

File Attachment

[Investment Policy Statement Excerpt.pdf \[144KB\]](#)

- ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/portfolio-screening.aspx>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/shareholder-resolutions.aspx>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/accountability-report.aspx>

Attachment

Climate change

URL/Attachment

URL

URL

<https://www.mercyinvestmentservices.org/statement-on-climate-change.aspx>

Attachment

We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
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These and other items requested, including a policy setting out our overall approach and the governance structure of organizational ESG responsibilities, are included within the Information Memorandum, which is shared annually with our investment participants. This document is not available to the public given restrictions regarding the organizations allowed to participate in the program.

In addition, Mercy Investment Services produces an annual impact measurement and management system for its shareholder advocacy and impact investing programs. Selected highlights from the detailed summary can be found in the annual Accountability Report (see Reporting) and at the following:

- Shareholder Advocacy - <https://www.mercyinvestmentservices.org/our-impact-%E2%80%93-shareholder-advocacy.aspx>
- Mercy Partnership Fund - <https://www.mercyinvestmentservices.org/our-impact-%E2%80%93-mercy-partnership-fund.aspx>
- Environmental Solutions Fund - <https://www.mercyinvestmentservices.org/our-impact-%E2%80%93-environmental-solutions-fund.aspx>

Finally, Mercy Investment Services, through ISS proxy voting service, votes all of its proxies in accordance with guiding principles focused on governance, social and environmental criteria. Results of our proxy voting records are available at <https://www.mercyinvestmentservices.org/proxy-voting.aspx>.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Mercy Investment Services' Conflict of Interest Policy, which was initially approved by the Board of Directors on March 8, 2012, was created to prevent the professional and personal interests of the directors, officers, committee members and staff from influencing the performance of their duties on behalf of the organization. In general, individuals are obligated to avoid and disclose conflicts of interest involving Mercy Investment Services and remove themselves from a position of decision-making authority with respect to any conflict situation. The policy establishes processes and procedures regarding: the duty to disclose, determining whether a conflict of interest exists, procedures for addressing the conflict, violations of the conflict of interest policy, records of proceedings, and ongoing reporting and reviews.

Annually, the revised Conflict of Interest Policy and Conflict of Interest Policy Questionnaire are distributed to all members of the Board of Directors, committees, subcommittee and staff. The responses to the questionnaires are reviewed by the Audit Committee, and a summary of all responses are shared with the chairperson of the Board of Directors.

No

Objectives and strategies				
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SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Vice President of Social Responsibility

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
----------------	---

The Board of Directors is ultimately responsible for the oversight/accountability for responsible investments; the board works closely with relevant committees (Investment Committee, Social Responsibility Committee, and Mercy Partnership Fund Subcommittee) to ensure that the organization implements its policies and achieves its objectives and targets in relation to responsible investment performance.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

	Number
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14

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced
- Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 AVCA: Sustainability Committee
 France Invest – La Commission ESG
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced
- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced
- CFA Institute Centre for Financial Market Integrity
 Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Other "advanced" collaborative organizations/initiatives include: Catholic Impact Investing Collaborative, FaithInvest, Thirty Percent Coalition, Investor Environmental Health Network, Investors for Opioid Accountability

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Other "advanced" collaborative organizations/initiatives include: Alliance for Human Rights, Investor Rights Forum

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Other "basic" collaborative organizations/initiatives include: Mission Investors Exchange, Inclusiv, and Opportunity Finance Network

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Presentation to participants regarding socially responsible investing through 1) actively engaging corporations and voting company proxies; 2) seeking companies with positive environmental, social and governance records; and 3) investing to achieve environmental and social impacts

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

Description

Vatican Conference on Impact Investing

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description

Regularly contribute to mainstream and industry articles on socially responsible investing

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

Interfaith Center on Corporate Responsibility, Catholic Impact Investing Collaborative, and FaithInvest

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Other, specify
- No

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

SG 12.2 Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

- We use investment consultants in our selection and appointment of external managers

Asset class

- Listed Equity (LE)
- Fixed income - SSA
- Private equity (PE)
- Other asset classes
- We use investment consultants in our monitoring of external managers

Asset class

- Listed Equity (LE)
- Fixed income - SSA
- Private equity (PE)
- Other asset classes
- We do not use investment consultants for selection, appointment and monitoring of external managers.

SG 12.3

Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants.

- Responsible investment is considered when evaluating investment consultants' investment beliefs, strategies and policies in the selection process.
- Responsible investment is considered when evaluating investment consultants' public commitment to, and promotion of, responsible investment in the selection process.
- Responsible investment is considered when reviewing investment consultants' approach to investment manager ratings, research and recommendations in the monitoring process.
- Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with the investment consultants.
- We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development

Describe how responsible investment is incorporated

Responsible investing subject matter experts work directly with the organization to meet integration objectives, develop responsible investing policy, and advise on implementation.

- Strategic asset allocation

Describe how responsible investment is incorporated

Responsible investment incorporation in strategic asset allocation is slowly evolving; investment consultants use a range of analytical tools for practical implementation and monitoring of responsible investment strategies including portfolio screening and scoring on a range of ESG characteristics (e.g., ethical business involvement screens, carbon metrics, impact measurement).

- Investment research

Describe how responsible investment is incorporated

Consultants embed ESG analysis in firm-wide research platform/manager database which includes ESG analysis for all actively monitored public managers in its database, and alternative investments and aims to catalyze adoption of best responsible investing practices by hosting client conferences and publishing research on key topics.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
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Beginning in 2015, Mercy Investments Services engaged an external advisor (TruCost) to complete a carbon footprint of the greenhouse gas emissions embedded within the global equity portfolio. As a result of increased use of managers who incorporate environmental, social, and/or governance factors in their investment selection criteria, exclusion of certain sectors (thermal coal, oil sands), and impact equity dedicated to benefiting environmental or social outcomes, the equity portfolios have demonstrated continued carbon footprint reductions in Mercy Investment Services' ongoing efforts to transition to a low-carbon future. In addition, information from these carbon footprints have been utilized to assess climate-related risks and engagement opportunities in the portfolio.

Mercy Investment Services has committed as part of its strategic plan to advance the integration of environmental considerations into its investment process and to address climate related risks as part of its expanded enterprise risk management program. The organization continues to educate itself regarding the TCFD recommendations and the process of identifying and managing material climate-related risks and opportunities.

Asset class implementation not reported in other modules

SG 17	Mandatory	Public	Descriptive	General
SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.			

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Corporate (non-financial)	Mercy Investment Services generally allocates to managers who invest in a combination of SSA, financial and nonfinancial corporate, and securitized fixed income securities. Although the amounts have been segregated as requested in the Organizational Overview, the process of addressing ESG issues for externally managed fixed income portfolios is identical within all fixed income asset classes. See Manager Selection, Appointment and Monitoring module for further information.
Fixed income - Securitized	Mercy Investment Services generally allocates to managers who invest in a combination of SSA, financial and nonfinancial corporate, and securitized fixed income securities. Although the amounts have been segregated as requested in the Organizational Overview, the process of addressing ESG issues for externally managed fixed income portfolios is identical within all fixed income asset classes. See Manager Selection, Appointment and Monitoring module for further information.
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Select whether you use the PRI Hedge Fund DDQ </div> <input type="radio"/> Yes <input checked="" type="radio"/> No
Hedge funds	<p>Historically, Mercy Investment Services' experience with hedge funds is largely limited to the allocation to hedge funds who create share classes that meet our negative screens. Although hedge fund managers are increasingly recognizing the value of incorporating analysis of environmental, social, and governance risks within their portfolios, the number of true ESG hedge funds is rather limited. Our consultant integrates a review of managers' ESG capabilities in its Operational Due Diligence with the aim to provide an overview of their ESG capabilities, thus complementing the investment, operational and quantitative due diligence that they already complete on existing and potential funds.</p> <p>After lengthy research and diligence, Mercy Investment Services funded its first ESG hedge fund manager in the current year; the fund utilizes 1) environmental, social, and governance factors to source and underwrite investments and 2) engagement to inspire investors and managers to incorporate sustainability into their decisions and to encourage business more broadly to address environmental and social challenges. Mercy Investment Services will continue searching for similar hedge fund opportunities to add to the portfolio in the future.</p>

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Disclosure to clients/beneficiaries	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes<input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf<input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership<input type="checkbox"/> Other
	<p>Frequency</p> <ul style="list-style-type: none"><input type="checkbox"/> Quarterly or more frequently<input type="checkbox"/> Biannually<input checked="" type="checkbox"/> Annually<input type="checkbox"/> Less frequently than annually<input type="checkbox"/> Ad-hoc/when requested

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="256 304 994 367">Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information 	<p data-bbox="1019 304 1447 389">Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
<p data-bbox="256 1319 994 1382">Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p data-bbox="1019 1319 1447 1382">Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
<p data-bbox="256 1641 994 1704">URL</p> <p data-bbox="256 1715 994 1749">https://www.mercyinvestmentservices.org/accountability-report.aspx</p> <p data-bbox="256 1827 994 1890">URL</p> <p data-bbox="256 1901 994 1957">https://www.mercyinvestmentservices.org/our-impact-%E2%80%93-shareholder-advocacy.aspx</p>	

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
https://www.mercyinvestmentservices.org/proxy-voting.aspx	

Mercy Investment Services, Inc.

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - SSA				
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Thematic	<input type="checkbox"/>	<input type="checkbox"/>				
Integration	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>				

Passive investment strategies

Passive investment strategies	Listed Equity					
Screening	<input checked="" type="checkbox"/>					
Thematic	<input type="checkbox"/>					
Integration	<input type="checkbox"/>					
None of the above	<input type="checkbox"/>					

SAM 01.2

Additional information. [Optional]

Negative screening is required of all managers of all asset classes within the portfolio: listed equities, fixed income, private equity, hedge funds, inclusive finance, and money markets. In addition, integration and thematic investment strategies are encouraged of all active equity and fixed income managers; see ESG and thematic results in previous modules.

Selection

SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
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	LE	FI - SSA				Private equity		
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
ESG reporting requirements	<input type="checkbox"/>	<input type="checkbox"/>				<input checked="" type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

	Strategy
--	----------

	LE	FI - SSA				Private equity		
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		

	ESG people/oversight
--	----------------------

	LE	FI - SSA				Private equity		
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		

Process/portfolio construction/investment valuation

	LE	FI - SSA				Private equity		
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Other, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		

If you select any `Other` option(s), specify

Review the source(s) of the ESG data used.

SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE	FI - SSA				Private equity		
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG score	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

Appointment

SAM 04

Mandatory

Public

Core Assessed

PRI 1

SAM 04.1

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- Listed equity (LE)

Benchmark

- Standard benchmark
- ESG benchmark, specify

ESG Objectives

ESG related strategy, specify

The objective of the portfolio is to outperform the benchmark over the long-term, net of fees and expenses, while giving special consideration to certain environmental, social and governance criteria.

ESG related investment restrictions, specify

Mercy Investment Services will seek investment in companies whose products, services or activities are consistent with the values, mission and Direction Statement of the Sisters of Mercy and the social teachings of the Catholic Church. Investments in securities will be avoided in companies that engage in the following: (listing included).

ESG integration, specify

The manager will compile impact data for the portfolio annually and provide to Mercy Investment Services.

Engagement, specify

Although not specifically included in Investment Management Agreements, Mercy Investment Services receives verbal commitments from active investment managers to engage companies.

Voting, specify

Promoting responsible investment

ESG specific improvements

Other, specify

Incentives and controls

We do not set incentives and controls

Reporting requirements

Monthly

Quarterly

Bi-annually

Annually

Ad-hoc/when requested

Fixed income - SSA (SSA)

Benchmark

Standard benchmark, specify

The manager is expected to generate returns that exceed the Bloomberg Barclays U.S. Aggregate Index, net of management fees, on an annualized basis over a market cycle (3-5 years).

ESG benchmark, specify

ESG Objectives

ESG related strategy, specify

The objective of the portfolio is to maximize total return through income and capital appreciation in the broad U.S. dollar denominated fixed income market, while giving special consideration to certain environmental, social and governance criteria and maintaining exposure to impact securities.

- ESG related investment restrictions, specify

Mercy Investment Services will seek investment in companies whose products, services or activities are consistent with the values, mission and Direction Statement of the Sisters of Mercy and the social teachings of the Catholic Church. Investments in securities will be avoided in companies that engage in the following: (listing included).

- ESG integration, specify

The manager will compile impact data for the portfolio annually and provide to Mercy Investment Services.

- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

- Private equity

Benchmark

- Standard benchmark, specify

Targeted returns of 1.8x and 15% IRR, gross; 1.6x and 12% IRR, net

- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify

The fund aims to make credit-oriented investments that focus on (1) companies, assets and special situations that generate current income and capital appreciation, (2) the investments pass environmental, social and governance (“ESG”) criteria, and (3) the investments can demonstrate measurable societal or environmental impact.

- ESG related investment restrictions, specify

The fund intends to focus on companies within six sub-sectors or verticals: agriculture & water; waste-to-value & recycling; smart cities, transportation & land use; distributed renewables; energy efficiency, storage & microgrids; and enterprise and infrastructure resiliency.

- ESG integration, specify

The fund plans to issue an annual report, produced by Tideline, with a qualitative description of each company’s impact thesis, their alignment to the UN SDGs, and one-to-three pre-identified key KPIs (based off IRIS+ metrics) that the fund will actively measure.

- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

SAM 04.3 Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 04.4 Provide additional information relevant to your organisation’s appointment processes of external managers. [OPTIONAL]

Mercy Investment Services generally allocates to managers who invest in a combination of SSA, financial and nonfinancial corporate, and securitized fixed income securities. Although the amounts have been segregated as requested in the Organizational Overview, the process of addressing ESG issues for externally managed fixed income portfolios is identical within all fixed income asset classes.

Monitoring

SAM 05	Mandatory	Public	Core Assessed	PRI 1
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SAM 05.1 When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - SSA			Private equity		
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>		
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
PRI Transparency Reports	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		

If you select any `Other` option(s), specify

Review any changes to the source(s) of the ESG data used.

Review company engagement outcomes.

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA				Private equity		
ESG score	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG performance minimum threshold	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1

Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Establish an allocation to water strategy within the equity portfolio
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Private equity
Scope and process	Mercy Investment Services' concerns related to issues with the quantity, quality, and allocation of water led to discussions with its consultant regarding long-term sustainability trends, potential impact, and a differentiated investment opportunity.
Outcomes	Researched, completed due diligence and approved a new equity strategy that incorporates ESG factors and invests in companies whose innovative technologies and products will help provide solutions to global water challenges by: 1) increasing supply and access, 2) decreasing demand and waste, 3) improving and assuring quality, and 4) building and repairing infrastructure.

Add Example 2

Topic or issue	Increase environmental impact investments
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input checked="" type="checkbox"/> Private equity
Scope and process	Mercy Investment Services continues to work with its consultants to make additional commitments to the Environmental Solutions Fund within its private equity portfolio.
Outcomes	In both 2018 and 2019, researched, completed due diligence and approved commitments to five mission-related, positive market-rate alternative investment projects focused on renewable energy, energy and water efficiency, materials recycling, green buildings, sustainable agriculture and sustainable forestry. Several examples include developmental-stage renewable energy projects (wind, solar & hydroelectric) focused in India, Indonesia and the Philippines; renewable energy investments in Nigeria that replace existing diesel-generated electricity with solar panels and cleaner, more efficient backup generation systems; utility-scale European renewable energy projects (wind, solar & hydroelectric); clean and renewable power generation and energy infrastructure projects in late stages of development in the United States; early-stage companies that focus on the application layer of clean energy that sits on top of the physical infrastructure; and sustainable food and agriculture companies concentrating on environmental protection and resource deprivation, health/wellness and access to food.

Add Example 3

Topic or issue	Achieve additional reductions of carbon emissions within the equity portfolio
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Private equity
Scope and process	Performed second Portfolio Carbon Footprint of the Global Equity Portfolio with Trucost; the research indicated that the percent reduction of Mercy Investment Services' carbon footprint (versus the MSCI ACWI) improved from 2016 to 2018 due to managers' additional integration of environmental considerations into investment selection.
Outcomes	Following the Trucost report issuance, worked with investment manager to further reduce the carbon exposure of the R1000 and EAFE passive portfolios (relative to the indices).

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

SAM 09.2 | Additional information.

Made several catalytic commitments through Mercy Partnership Fund (inclusive finance) to provide concessionary capital to improve water services in underserved communities in El Salvador; to help Catholic organizations identify, finance and implement energy efficiency and renewable energy projects; and to invest in off-grid solar energy and financial access companies to increase access to affordable, clean energy for base-of-the-pyramid beneficiaries in Africa and South Asia.

Mercy Investment Services, Inc.

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

[File 1:Extract on Shareholder Advocacy from the Social Responsibility Policy dated December 8, 2016.pdf](#)

URL provided:

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other; (specify)
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes
- No

LEA 01.6 Additional information [optional]

While the policy does not address transparency of voting decisions, proxy votes are publicly reported on the website <https://www.mercyinvestmentservices.org/proxy-voting.aspx>

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
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Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
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Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 10px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input checked="" type="checkbox"/> Other; (specify) <div style="background-color: #808080; color: white; padding: 2px; margin-bottom: 10px;">specify</div> <p>Sisters of Mercy Critical Concerns</p> <ul style="list-style-type: none"> <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 10px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input checked="" type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

○ No

LEA 03.3	Additional information. [Optional]
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We participate in or are members of a number of collaborative groups such as the Interfaith Center on Corporate Responsibility, Ceres/Investor Network on Climate Risk, Investor Environmental Health Network, Investors for Opioid Accountability, as well as UNPRI. Information sharing occurs among these groups and may influence our decisions on company engagements and objectives with those companies.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2	Additional information. [Optional]
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Annual engagement priorities are publicly reported on website <https://www.mercyinvestmentservices.org/plan-goals-and-objectives.aspx>

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2 Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 05.3 Additional information. [Optional]

While we monitor and track progress on all engagements conducted internally or collaboratively, we have implemented an annual impact tracking and reporting on companies where Mercy Investment Services is the lead investor on the engagement. This review process started in proxy year 2018 and continues to be refined each proxy year.

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1 Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
 - Issuing a public statement
 - Filing/submitting a shareholder resolution
 - Voting against the re-election of the relevant directors
 - Voting against the board of directors or the annual financial report
 - Submitting nominations for election to the board
 - Seeking legal remedy / litigation
 - Reducing exposure (size of holdings)
 - Divestment
 - Other; specify
- No

LEA 08**Mandatory****Public****Gateway****PRI 2****LEA 08.1**

Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 08.2

Additional information. [Optional]

We use a database management system and systematically track all engagements through time. Since many engagements are multi-year, this detailed tracking allows us to monitor responses and actions taken by companies from our dialogues, resolutions, and letters. This detailed tracking informs the engagement approach with the companies in subsequent years.

(Proxy) voting and shareholder resolutions**LEA 12****Mandatory****Public****Descriptive****PRI 2****LEA 12.1**

Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

Based on

- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)

LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
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We report annually on proxy voting completed by our service provider in compliance with Mercy proxy voting guidelines (controlling) which incorporate approved standard Catholic voting guidelines used by the provider. This review is done on a monthly basis, allowing close tracking of adherence to policy. If the review determines an item was not voted in alignment with policy, the service provider is contacted for a detailed rationale. Annually, report on the audits of proxy voting guideline compliance is provided to the Social Responsibility Committee. In the event of emerging or new issues that are not addressed by either guidelines or in circumstances of decisions to vote against board member(s), those proxy voting decisions are approved by management as delegated in the proxy voting guidelines.

LEA 12.3	Additional information.[Optional]
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See proxy voting guidelines and results at https://www.mercyinvestmentservices.org/2020%20Mercy%20Investment%20Services%20Proxy%20Voting%20Guidelines_FINAL.pdf and <https://www.mercyinvestmentservices.org/proxy-voting.aspx>, respectively.

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 16

Mandatory

Public

Core Assessed

PRI 2

LEA 16.1

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 17

Mandatory

Public

Core Assessed

PRI 2

LEA 17.1

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

99.36

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 19**Mandatory****Public****Core Assessed****PRI 2****LEA 19.1**

Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 19.2

Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

Mercy Investment Services, Inc.

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07

Mandatory

Public

Descriptive

General

CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)