Mercer

welcome to brighter

2024 Business Responsibility Report

Disclosures for Mercer Deutschland GmbH

A business of Marsh McLennan

Mercer

Introduction

This report is intended as a country-specific classification and supplement to Marsh McLennan's "2024 Business Responsibility Report" and summarizes the most important environmental, social and governance initiatives and achievements of Mercer Deutschland GmbH.

More information on the Marsh McLennan Report can be found here

MMC-Report-2024

General information on Marsh McLennan‘s business responsibility

Find out more!

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About Mercer Germany

By transforming working environments, improving pension and investment solutions and a commitment to health and wellbeing, **Mercer** is committed to shaping the future boldly and intelligently. With more than 22,000 employees in 43 countries, Mercer serves clients in over 130 countries. In Germany, Mercer is represented by around 800 employees in Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart.

The focus of its business activities is on advising companies on all aspects of investments, pensions, rewards, talent and transformation.

As a market leader, we help our customers to operate successfully in an increasingly dynamic and complex environment. For more information, visit us at www.mercer.de or follow us on LinkedIn.

Mercer is a subsidiary of Marsh McLennan (Marsh McLennan Companies, Inc., NYSE: MMC), a leading global provider of professional services in the areas of risk, strategy and human resources - with annual revenues of USD 24 billion and around 90,000 employees.

Contributing to a Carbon-Neutral Economy

Stakeholders in many industries are taking action to mitigate the effects of a changing climate. Mercer promotes low-carbon and climate-resilient investment in the corporate sector by helping our clients integrate environmental considerations into planning and decision-making in the areas of human resources and capital investment.

Our path to "Net Zero Carbon"

In 2024 the entire Marsh McLennan Group has been certified as "Carbon Neutral® " for the fourth time in a row. The Group has committed to reduce its operational Carbon emissions by 50 % by the end of 2030 and achieving net zero by 2050. The Marsh McLennan Group has communicated these targets to the Science Based Targets Initiative for verification.

Operational CO2 footprint

The Marsh McLennan Group measures its emissions in accordance with the Greenhouse Gas Protocol and receives external confirmation from LRQA.
Mercer Germany's emissions are included in this measurement and are detailed in the report.

	Goal	2024 Emissions [CO_2 -equivalent tonnes]
1	Emissions from business operations, including on-site combustion, the vehicle fleet and fugitive emissions	320.10
2	Indirect emissions from our offices	588.08
3	Emissions caused by business travel	206.45
	Emissions caused by employees travelling to work	310.25
	Total	1424.88

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Sustainable Investment

Decarbonization of investment portfolios

Since 2014 sustainability has been a key aspect of Mercer Investment Solutions Europe. Mercer is committed to decarbonizing its multi-asset and discretionary portfolios by 2050 based on the Science Based Target Initiative net zero absolute carbon emissions target.

The aim is to reduce portfolio emissions by at least 45% by 2030 compared to the baseline values from December 2019.

Responsible Investment Total Evaluation (RITE)

Institutional investors, some of whom have billions under management, can play an important role in driving the sustainable investment agenda. For this reason, Mercer has developed the Responsible Investment Total Evaluation (RITE). RITE is a 3-step process that supports institutional investors in integrating sustainability criteria into their investment policy.

The tool provides a score for each area of the Mercer Sustainable Investing Pathway (philosophy, policy and portfolio) to show how a company performs on a scale from A++ to C and in comparison, with other investors. It also provides the ability to monitor improvements over time.

The extensive expansion of RITE 2024 has improved comparability at an international level and made the tool more holistic.
Current developments and industry best practices are now taken into account in the RITE tool.

In December 2023 & 2024, Mercer's PIP VII Global Impact fund was recognized by Environmental Finance as Multi-Asset Impact Fund of the Year. We also won the award for our Impact Measurement and Metrics approach in 2024.

Environmental Finance IMPACT Awards 2024 Winner Award for impact measurement and metrics

Environmental Finance IMPACT Awards 2024 Winner Fund of the year – multi-asset/other

Our local commitment

As part of our responsibility as a corporate citizen, we and our colleagues support initiatives such as the "Clean-up Day" at the various company locations in Germany.

a service of CLIMATE IMPACT PARTNERS | CERTIFIED CARBON NEUTRAL Global Standard

Assessment of Climate Risks

Mercer helps investors and companies to understand and quantify climate risks that they can take into account in their investment, credit and CAPEX decisions. Mercer works with companies and financial institutions to develop and implement strategies that point the way to a net zero balance sheet.

Mercer works closely with its clients to help them understand, monitor and reduce their physical climate risks. Part of the consulting approach is also to support clients in sensitizing and empowering their employees so that they can support the desired changes.

Analytics for Climate Transition (ACT)

Mercer's ACT tool combines several company metrics from the areas of emissions, transition and low-carbon solutions into a single company category that assesses transition capacity.

It enables investors to measure carbon emissions risk at the level of individual investments by identifying companies/assets with transition potential and the risk of stranded assets. At the same time, ACT serves as a tool for monitoring the climate risk of the overall portfolio.

Impact Investing

Mercer supports its clients in making a contribution to a sustainable environment through targeted investments. The Private Investment Partners (PIP) Global Impact Investment solution enables clients to make targeted investments in companies, organisations and projects that have **a positive environmental and social impact.**

Mercer's **PIP Global Impact** is based on the concept of **Impact Investing** and aims to channel capital into areas such as renewable energy, sustainable agriculture, environmentally friendly infrastructure and social services. Through these investments, Mercer's clients can help achieve the **UN Sustainable Development Goals** and create a more sustainable and equitable world.

Mercer offers its clients a wide range of investment opportunities within the PIP Global Impact Investment Solution, including private equity, private debt, infrastructure and property.
These asset classes allow clients to invest their capital in areas that match their individual values and objectives.

In addition, Mercer supports its clients in **measuring and reporting** on the environmental and social impact of their investments. This enables clients to monitor the success of their impact investments and ensure that they are actually bringing about positive change or successively reducing or avoiding the extent of **negative sustainability impacts**.

More information on the topic of "Sustainable Investment" can be found on our global Homepage

Find out more!

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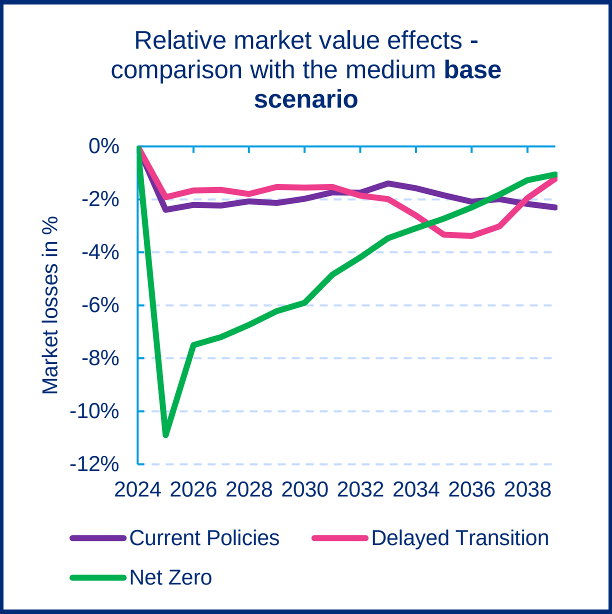
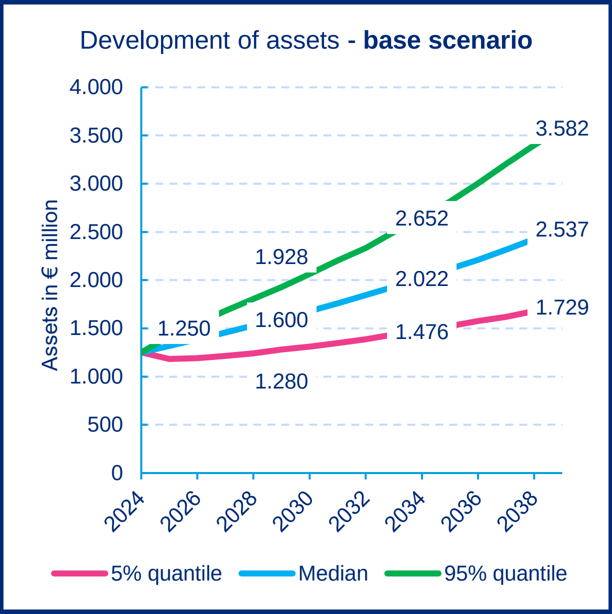
Consideration of climate risks in the derivation of investment strategies

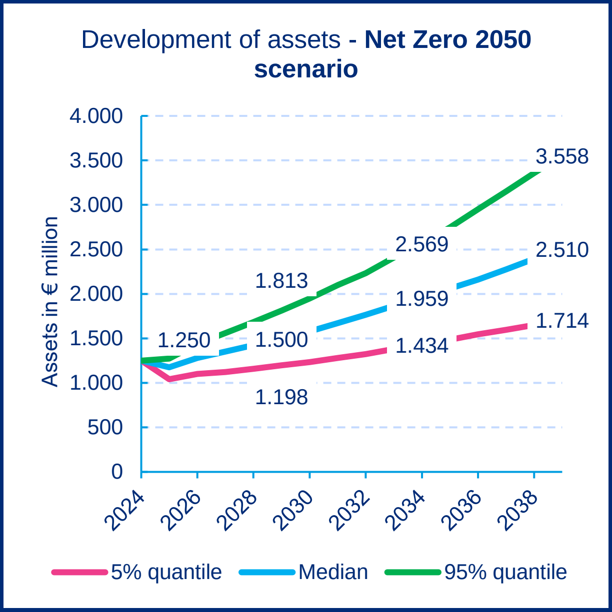
Companies are increasingly recognizing the importance of climate change as one of the greatest challenges of our time, particularly in terms of the risks to the global economy and the impact on financial markets. It is crucial that companies integrate climate risks into their strategic planning and decision-making processes in order to both act in an economically sensible manner and fulfil their responsibility towards stakeholders and society. Proactive companies can increase their risk management effectiveness and financial resilience.

Climate risks can be categorized **into physical risks**, such as extreme weather events and long-term climatic changes, and **transitory risks** arising from the transition to a low-carbon economy. These risks can have a significant impact on assets and liabilities and jeopardize the stability of companies. A **comprehensive evaluation and quantification of these risks** to the asset and liability structure is therefore essential.

Mercer develops approaches to effectively integrate climate risks into the analysis of investment strategies. Investment strategies are often based on Asset Liability Management (ALM) studies that aim to manage and optimize balance sheet risks. While market and liquidity risks are already taken into account, **new market risks** resulting from climate change and stricter environmental policy measures **must also be included in ALM studies**.







Our Offices

As the tenant of the office buildings, MMC is in close and proactive dialogue with its landlords in Germany in order to achieve sustainable use of the office buildings.

Mercer Germany is supported by Marsh McLennan in our commitments to reducing our emissions through various initiatives, including the use of renewable electricity, enhancing energy efficiency, rationalizing and electrifying our fleet, and implementing internal policies that empower colleagues to make more sustainable choices. Additionally, we are building partnerships with key stakeholders, such as our suppliers, to further our sustainability goals. In 2024, we made significant progress by increasing our usage of renewable electricity to represent 76% of our overall global energy consumption and 99% of Marsh McLennan’s electricity consumption in Germany.

Office certifications

The LEED® (Leadership in Energy and Environmental Design) certification procedure developed by the US Green Building Council (USGBC) is a leading global procedure with a high level of acceptance among users and the international property markets.

Points are awarded for the criteria in the above-mentioned subject areas. Based on the number of points achieved, a project can achieve one of four LEED rating levels ("Certified", "Silver", "Gold" or "Platinum").

The property valuation is carried out on the basis of 8 different subject areas:

- Infrastructural Integration of the location
- Property qualities
- Water efficiency
- Innovations
- Material cycles + resource conservation
- Indoor air quality
- Energy + Global environmental impact
- Bonuses for criteria with location-related special importance

STUTTGART

We are in close dialogue with our landlord in order to implement the energy-saving measures derived from the energy audit in accordance with DIN EN 16247-1 for building use in a timely manner (including conversion to LED lighting, etc.).

FRANKFURT

Our Frankfurt office is housed in a "LEED Platinum" certified building.

MUNICH

As part of the complete renovation of our Munich office, various potential energy-saving measures were analyzed and implemented (including energy-saving LED lights, the use of presence detectors to control the lighting intensity depending on the ambient/daylight and the refurbishment of existing furniture for sustainable reuse).

DÜSSELDORF

Our Düsseldorf office is housed in a "LEED Gold" certified building.

HAMBURG:

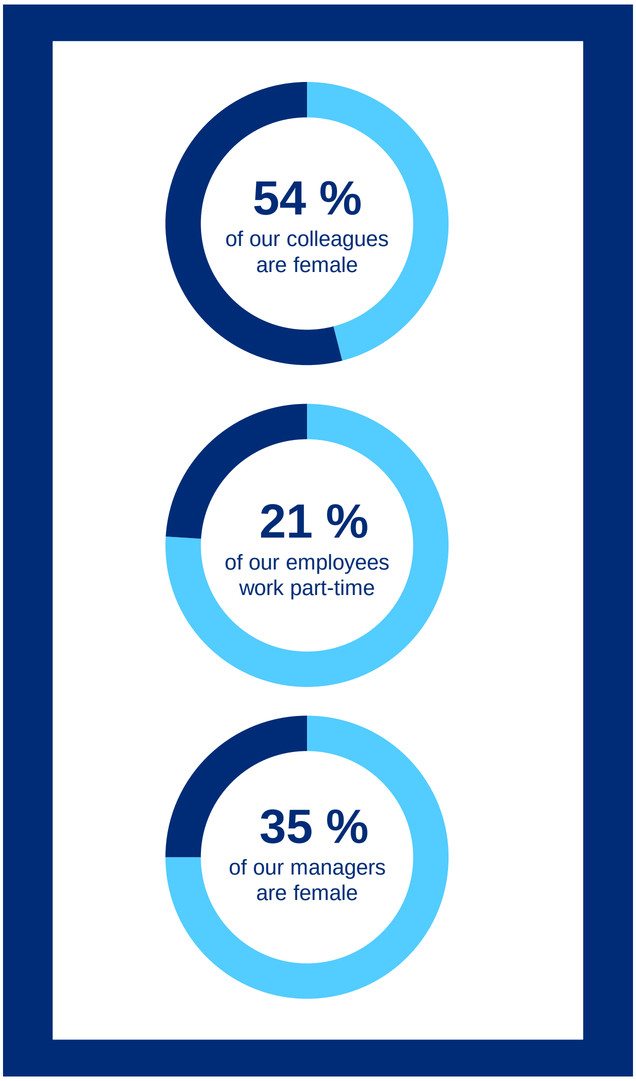
We are currently in close dialogue with the landlord with regard to further certification.

Mercer‘s Employees

As at 31 December 2024, Mercer Deutschland GmbH employed around 800 people. Of these, around 40 were working students employed on a temporary basis. The remaining employees, whether full-time or part-time, are employed on a permanent basis.

In addition to the sustainable provision of services to clients, this is also intended to ensure the long-term loyalty and development of Mercer Germany's employees. Mercer Germany employs staff from a total of 36 different countries. Mercer attaches particular importance to the balanced and gender-independent promotion and development of employees.

Mercer Germany aims to increase the proportion of female managers in the coming years, particularly in the area of management development.



Benefits for our employees

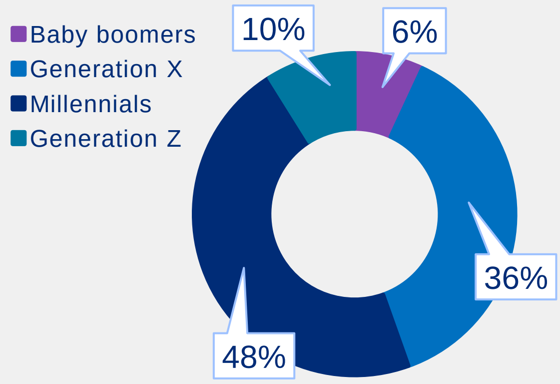
The benefits include offers and resources on the following topics:

- Pension provision (e.g. occupational pension scheme, VWL, BU).
- Occupational health management (e.g. fitness and nutrition).
- Mental health (e.g. assistance programs).
- Supporting the compatibility of family and career (e.g. arranging child and elderly care, advice on parental leave, finding a place in a daycare center, etc.).
- As well as further training (e.g. courses, certificates, career planning).

These topics are flanked by ongoing management training, measures for a positive working atmosphere and sustainability.

Mercer considers several dimensions of wellbeing when it comes to maintaining, continuously improving and shaping employee benefits.

Generation distribution Mercer Germany



Our CRGs and CAs

The Colleague Resource Groups (CRGs) and Culture Agents (CAs) are an integral part of Mercer's efforts to successfully create a culture of belonging.

Each CRG and the local Culture Agent networks are made up of employees who voluntarily work together to support Mercer in realizing its vision of diversity. They play a critical role in improving the culture and environment of our organisation. They provide unique perspectives from across our organisation and focus on our ability to hire, develop and retain the best talent, work with an increasingly diverse client base and connect with an increasingly diverse society in which our employees and clients live and work.

> As a leadership team, we actively support the Colleague Resource Groups (CRGs) and Culture Agents (CAs) and the themes they champion and make them an important part of our employer promise: we are proud that our colleagues are committed to equality, social engagement and diversity above and beyond their day-to-day work.
> The opportunity to get involved in these important themes is what defines us as an employer and is an integral part of our DNA.
> To this end, we are in regular dialogue with the CRGs and CAs and actively participate in discussions, initiatives and decision-making processes. This close collaboration enables us to better understand the needs and concerns of our CRGs and CAs, develop solutions together and create a culture in which their contributions are valued and encouraged.
>
> **German Leadership Team**

PRIDE

We want to create an inclusive and non-discriminatory environment in which all people, regardless of their sexual orientation or gender identity, can enjoy equal rights and opportunities. Through its work, the CRG is actively committed to combating discrimination in the workplace and creating a culture of diversity and acceptance.

EQUALITY

As part of Mercer, our goal is to enable all employees to have a successful professional future with us. By focusing the work of the CRG on promoting equal rights and opportunities for women in our working environment, we want to make a tangible contribution to creating an inclusive and fair working environment in which our colleagues have the same opportunities to succeed based on their skills and achievements, regardless of their gender.

The CRG is committed to identifying barriers to career development, equal pay and work-life balance and to achieving these goals by regularly raising awareness and actively proposing optimisation measures.

SOCIAL IMPACT

Through social engagement and volunteering at Marsh McLennan, we have a positive impact on our community, our fellow human beings and our environment.
Through volunteering and sustainable initiatives we make our contribution to a better future.
We are committed to social justice, access to education, environmental protection, disaster prevention and health promotion. Our activities create meaning and create a culture of collaberation in which colleagues actively participate and have fun together.

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Social Impact 2024

Great commitment from the Social Impact team and many colleagues who have prioritised volunteering!

 # Social impact actions: 41
 # Volunteers & donors: 186
Participation: 24%
Volunteer hours: 1,782
Donations incl. matching: EUR 46,150

Private voluntary work is also supported

10 hours of commitment = €100 donation budget from Marsh McLennan

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Equality 2024

March 2024

To mark International Women's Day, we organized an event together with the Professional Women's Network Frankfurt. The theme of the evening was based on the motto of International Women's Day "Inspire Inclusion - Inspire Yourself, Include Others!".

November 2024

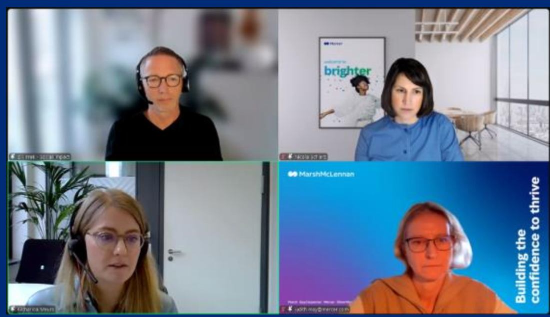
Together for equality in old age! Doing nothing is not a solution either - let's actively tackle the gender pension gap! Under this motto, with a keynote speech followed by a panel discussion and Q&A session, we used the webcast to raise awareness of the issue among our colleagues.

Sticks & Stones 2024

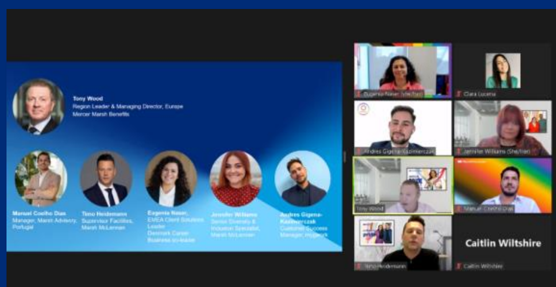
Mercer was also represented at the queer job fair "Sticks & Stones" in 2024 to get people from the LGBTIQ+ community excited about us as an employer!

International Women's Day: Inspire Yourself & Include Others!

Webcast: Gender Pension Gap



Panel Discussion



Career Coaching

Pride 2024

Public Viewing - PRIDE Pub

CSD Frankfurt

LGBTQ Leadership

OUT & EQUAL PRESENTS:
LGBTQ+ LEADERSHIP IN THE WORKPLACE

Is there such a thing as “LGBTQ+ leadership”? What does it mean? Are there specific skills and qualities that Queer leaders bring to the workplace? And if there are, how do we develop and elevate them?

In this session, we’ll take on these questions and more as we explore the ways that LGBTQ+ employees can develop their capacity to lead within their organizations, looking at both theory and practice in an effort to help learners identify their Queer leadership style and then develop it to transform themselves, their colleagues, and their organizations.

By the end of this session learners will be able to:

- Discuss the concept of LGBTQ+ leadership and navigation and what it means to them;
- Clarify and create an action plan to elevate, share and use your leadership values for culture change;
- Identify the skills needed to remain strong and inclusive when your leadership faces conflict; and
- Find ways to pay it forward when it comes to leadership by actively supporting leadership development in others.

Corporate Management

Mercer Deutschland GmbH is a **limited liability company** registered with the Frankfurt am Main Local Court under commercial register HRB 76595. The GmbH is also the parent company of the Mercer Group in Germany.

The executive bodies are the Management Board and the Supervisory Board formed in accordance with the German One-Third Participation Act (DrittelbG). The interests of the employees are represented by the General Works Council.

Mercer has the following authorizations:

- Pension consultant with authorization pursuant to Section 10 (1) sentence 1 no. 2 of the Legal Services Act (RDG)
- Insurance broker with a license in accordance with § 34d Para. 1 of the Trade, Commerce and Industry Regulation Act (GewO)
- Financial investment broker with authorization according to § 34f para. 1 GewO

In particular, the extended Executive Board ensures that the sustainability strategy is pursued and that the initiatives presented in this report are defined and implemented. Mercer, as a group company of the Marsh McLennan Group, has a corporate social responsibility rating from **EcoVadis**.

Provision of Services

Risk management

Mercer carries out quarterly **risk controlling/risk reporting**, which serves to adjust and deal with relevant risks.
The reports are incorporated into the Group-wide, international reports. Risk controlling and reporting take into account the social, environmental, political and economic environment.

Mercer has **business resilience / disaster recovery plans** to limit the risk of our service provision being restricted in the event of a disaster:

- The plans contain regulations on the availability of employees, alternative workplaces, restoration of infrastructure and customer communication.
- They are periodically reviewed, tested and audited and are integrated into Group-wide procedures.
- They are individualized on the basis of the priorities and requirements of the respective company location.

A formalized **vendor risk assessment process** is carried out for all **third-party service providers** before a contract is signed, in which IT security, guidelines, certifications and data protection are audited.

Once the audit has been successfully completed, the information security requirements for commissioned data processing are agreed and stored in the central management system for third-party service providers.
The service providers are audited at regular intervals and monitored by the global vendor management team.

Certification

Mercer has the following certifications in the areas of central services, including the administration of company pension schemes and working time accounts, as well as branch offices for BaFin-regulated pension schemes. All are regulated by independent auditors.

We also have ISAE 3402 Type II which is an international standard for the review of appropriate internal control systems (ICS) of the International Federation of Accountants (IFAC), in particular controls that have been implemented and documented.

In addition to ISAE 3402 Type II and industry-specific certifications, internal audits are regularly carried out by independent Group auditors.

Quality management

Process documentation

Mercer attaches great importance to consistent, quality-assured and efficient processes in order to ensure a high level of customer satisfaction.

Peer review (4-eyes principle)

All critical processes (e.g. calculations and correspondence) are checked by a second, qualified employee and the check is documented.

Knowledge management

The constantly changing legal framework requires a high level of further training. In addition to regular external training courses, Mercer organises seminars for its employees on a wide range of specialist issues.

IT change management

To ensure the quality of the IT systems, in addition to the SOC 2 controlled IT checks, all changes are extensively checked by technical experts before new versions are used in the productive environments.

Ethics and Compliance

Mercer, as part of the Marsh McLennan Group, is particularly committed to compliance, ethical standards and a culture of integrity.

These are set out in **The Greater Good code of conduct** and determine our ethical behaviour towards customers, our employees and the community. The Compliance department supports the implementation of these internal regulations and legal requirements, particularly with regard to sanctions, anti-corruption and money laundering.

Compliance is communicated to employees through regular mandatory **training sessions** and virtual meetings.

Mercer's top priority is to ensure a working environment in which employees feel free and safe to report compliance violations.

The **Ethics & Compliance Hotline** enables all employees, our customers and external partners to submit such reports confidentially and anonymously.

Cybersecurity and data protection

The principles of IT/cyber security are described in the MMC Information and Cyber Security Program and are updated regularly. Compliance with and assurance of these principles is confirmed by the "SOC 2 Type II" report from external auditors.

Employees are instructed in how to deal with IT security and data protection issues and receive ongoing training through online training, virtual meetings and live tests (phishing mail tests).

Standardized processes for carrying out customer-specific IT risk assessments and third-party service provider audits in coordination with the globally active information security managers ensure qualified and uniform responses as well as standardized contract design for the provision of services.

In preparation for the implementation of the EU regulation DORA, the processes in the areas of IT and third-party service provider risk management, incident reporting and testing of digital operational resilience are being revised and expanded in order to fulfil the high standards.

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