

Firth Rixson Pension Plan (“the Plan”)

Annual Implementation Statement

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year running from 6th April 2022 to 5th April 2023 (“the Plan Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

The Plan is made up of both a Defined Contribution (“DC”) Section and a Defined Benefit (“DB”) Section. The Statement considers both Sections of the Plan.

It should be noted that after the previous Plan Year ending 5 April 2022, the members and associated assets of the DC Section of the Plan were transferred from the Mercer Workplace Savings (“MWS”) arrangement through the Aviva platform to the Mercer Master Trust (“MMT”) following a review process undertaken by the Company and the Trustee. The Trustee believes that the move to MMT was in the best interests of members based on a number of factors such as charges and enhanced member support. This transfer was completed in July 2022.

This statement is based on, and should be read in conjunction with, the SIPs that were in place for the Plan Year; these being the SIP dated February 2022, which was superseded by an updated version in June 2022.

Sections 2.1, 2.2 and 2.3 of this statement set out the investment objectives of both Sections of the Plan and any changes made to the SIP during the Plan Year.

Sections 2.4 and 3 of this statement set out how, and the extent to which, the policies in the SIP were followed. With respect to the DC Section of the Plan these sections consider these policies up to the point where the DC members and assets were transferred to MMT. **It is the Trustee’s view that all policies set out in the SIP were followed in the Plan Year.**

A copy of the SIP dated June 2022 is available at:

<https://www.firthrixson-pensions.co.uk/howmet/db.html>

Firth Rixson Pension Plan

Sections 4 and 5 of this statement include information on the engagement and key voting activities of the underlying investment managers within both Sections of the Plan. This takes account of the updated guidance from the DWP which requires trustees to define their key stewardship themes / priorities.

2. Statement of Investment Principles

The Trustee believes it is important to consider the policies in place in the context of the objectives it has set. Therefore before reviewing the Plan's policies it is considered appropriate to set out these objectives for both Sections of the Plan.

2.1. Investment Objectives of the DC Section of the Plan

For the DC Section of the Plan, the Trustee recognised that members had differing investment needs, that these may change during the course of their working lives and that they may have differing attitudes to risk. The Trustee's primary objective was to make available a range of investment funds which enabled members to tailor a strategy to meet their needs. The Trustee also put in place a default investment option which it believed was generally suitable for most members and for those who did not wish to make an investment choice.

In addition to the principal mission as stated above and the investment objectives below, the Trustee also aimed to:

- Ensure that the DC Section's operational structure was sensible and cost effective.
- Provide members with adequate tools and timely information to enable them to make informed investment and retirement decisions.

The Trustee had the following investment objectives in relation to the DC Section of the Plan:

- To offer suitable default investment strategies that were appropriate for the profile of defaulting members based on their expected risk tolerances and retirement objectives.
- To offer a range of self-select investment options which were appropriate for the profile of most members.

Firth Rixson Pension Plan

2.2. Investment Objectives of the DB Section of the Plan

The Trustee's primary objective for the DB Section of the Plan is to act in the best interest of its members and ensure that the obligations to the beneficiaries of the Plan can be met. In meeting this objective, the Trustee's further objectives are to:

- Reach a position within 5-7 years, such that the Plan's assets would be sufficient to exceed the liabilities as determined, in the event of the Plan winding-up, on the basis of a buyout with an insurance company; and
- In doing so, to opportunistically reduce the degree of risk in the Plan's investment arrangements, thereby helping to protect the Plan's improving funding position.

The Trustee recognises this ultimately means investing in a portfolio of bonds but believes that at the current time some investment in equities and other growth assets is justified to target enhanced return expectations and thereby target funding level improvements. The Trustee recognises that this introduces investment risk and these risks are discussed in the SIP.

2.3. Review of the SIP

During the year, the Trustee reviewed and amended the Plan's SIP, taking formal advice from its Investment Consultant (Mercer Limited ("Mercer")). A revised SIP was signed in June 2022.

Changes were made to the DC Section of the SIP which discussed the Trustees beliefs on environmental, social and corporate governance ("ESG"), Stewardship and Climate Change.

The DB Section of the SIP was updated to reflect the delegated investment approach adopted by the Trustee in April 2022, replacing the previously advisory approach. The updated approach involves delegating the implementation of the Trustee's DB investment strategy and day-to-day management of the Plan's DB Section assets to Mercer. The updated SIP sets out the strategy adopted, the level of delegation provided to Mercer and the Mercer policies applied to the Scheme's DB assets under this delegation. The Trustee's updated investment objective, of reaching a position to buyout the DB Section liabilities with an insurance company whilst opportunistically de-risking the Plan's DB investment arrangements, was also set out in the June 2022 version of the SIP.

Firth Rixson Pension Plan

Finally, the Trustee's views on "Non-financial matters" (where non-financial matters includes members' ethical views separate from financial considerations such as financially material ESG issues) were also updated in the SIP for both Sections.

2.4. The Trustee's SIP Assessment for the Plan Year

The information provided in the next section highlights the work undertaken by the Trustee during the Plan Year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP both that dated February 2022 (for the period prior to the transition of the DB Section assets to the delegated investment solution with Mercer on 29 April 2022) and that dated June 2022 for the period after the transition of the DB Section assets to Mercer. The SIP is attached as an Appendix and sets out the policies referenced.

In summary, it is the Trustee's view that the policies in the SIP were followed during the period 6 April 2022 to 5 April 2023.

3. Assessment of how the policies in the SIP were followed during the Plan Year

This section highlights the work undertaken by the Trustee during the Plan Year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the relevant SIPs.

Firth Rixson Pension Plan

	Requirement	Policy	In the year to 5 April 2023
1	Securing compliance with the legal requirements about choosing investments	<p><i>As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 2 (Plan Governance) of the February 2022 SIP, which applies to the DB and DC Sections of the Plan, and in the June 2022 SIP in Sections 2 and 14 (Process for Choosing Investments) for the DB and DC Sections respectively.</i></p>	<p>The Trustee obtained and considered the written advice of Mercer, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).</p> <p>DC Section</p> <p>All the funds made available to members of the DC Section were blended funds-of-funds. These funds are blended by Mercer and MWS using underlying funds managed by other investment management firms. Day-to-day management of the assets in the blended funds-of-funds was delegated to professional investment managers who are all authorised or regulated. The Trustee expected the investment managers to manage the assets delegated to them under the terms of their contracts. They were selected for their expertise in different specialisations.</p> <p>DB Section</p> <p>In April 2022, prior to adopting the delegated investment solution with Mercer, the Trustee received and considered written suitability advice from Mercer. This set out the solution being adopted, the costs associated and the suitability of the solution for the Scheme's DB Section given the Trustee's investment objectives. Following receipt of this advice the Trustee decided to transfer the DB Section's public market assets to a Mercer delegated arrangement and update their investment objectives to target a buy-out with</p>

Firth Rixson Pension Plan

			<p>an insurer in 5 to 7 years' time. For clarity, the Plan's private real estate debt commitments were retained in their existing arrangement.</p> <p>Following the transition to Mercer, and given the fiduciary arrangement, much of the day-to-day management of the Plan's investments is delegated to Mercer. This includes, but is not limited to, setting the strategic and dynamic asset allocation within the Growth and Matching Portfolios, carrying out portfolio rebalancing and managing the level of interest rate and inflation sensitivity of the liability-hedging portion of the Plan's assets.</p> <p>The Trustee remains informed of the actions taken by Mercer with respect to the Plan's investments, and monitors Mercer's performance against the Trustee CMA strategic objectives, through monthly and quarterly reports as well as verbal updates from Mercer at each quarterly Trustee meeting.</p> <p>In December 2022, the Trustee received and considered additional advice relating to the investment objectives for the DB Section as well as a dynamic de-risking framework that could be utilised to progressively reduce the level of investment risk following periods of strong investment performance. Having considered this advice, and following consultation with the Company, the Trustee decided to retain a fixed allocation to growth assets (at 60% of total assets) given this was still considered suitable in context of the Trustee's objectives.</p>
2	Realisation of Investments	<p><i>The Trustee's policy is that there should be sufficient liquidity within the Plan's assets to meet short term cashflow requirements in the majority of foreseeable circumstances, so</i></p>	<p>DC Section</p> <p>The Investment Manager has the responsibility for buying and selling the underlying assets. The day-to-day activities which the Investment Manager carries out for the Trustee are delegated to Mercer, and governed by the arrangements between Mercer and the Trustee.</p>

Firth Rixson Pension Plan

		<p><i>that realisation of assets will not disrupt the Plan’s overall investment policy.</i></p> <p><i>Further details are set out in the following sections of the SIP:</i></p> <ul style="list-style-type: none"> <i>– Realisation of Investments (Feb 2022 SIP Section 12. June 2022 SIP Section 7)</i> <i>– Investment Objectives (Feb 2022 SIP Sections 8 and 14. June 2022 SIP Sections 3 and 15)</i> <i>– Risk Management and Measurement (Feb 2022 SIP Sections 9 and 15. June 2022 SIP Sections 4 and 16)</i> 	<p>The Trustee reviewed administration and governance reports on a regular basis to confirm that core financial transactions were processed within Service Level Agreements (‘SLAs’) and regulatory timelines.</p> <p>The Trustee monitored the Plan’s administration and management and the extent to which the Plan’s core financial transactions were processed promptly and accurately by reviewing the extent to which Aviva complied with the relevant SLA in place for key transactional work items.</p> <p>As confirmed in the Chair’s Statement, SLA performance was at acceptable levels over the quarter prior to the transfer of DC assets to MMT, with a Plan specific SLA of 96.6%.</p> <p>No changes were made during the year to the liquidity of the funds used by the Plan. All assets were daily-dealt pooled investment arrangements, with assets mainly invested in regulated markets, and therefore were realisable at short notice, based on member demand.</p> <p>As part of the move to MMT, the Trustee implemented further controls and reporting to ensure that cases were processed promptly and accurately so that any issues could be dealt with ahead of the transfer in July 2022.</p> <p>DB Section</p> <p>Throughout the year, the majority of the Plan’s DB Section assets were invested in daily-dealt pooled fund investment arrangements (c. 78% as at the Plan’s year-end). Therefore, assets should be realisable at short notice, based on member and Trustee demand. Where disinvestments were</p>
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Firth Rixson Pension Plan

			<p>arranged during the year, the policies stipulated within the relevant appointment documentation have been followed.</p> <p>In addition, a number of Mercer Funds invested in by the Plan can distribute regular (Monthly/Quarterly) income. At present this facility is not required to meet the Plan’s cash flow needs, however, the Trustee and Mercer keep this under regular review.</p>
<p>3</p>	<p>Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><i>The Plan’s SIP outlines the Trustee’s policies. Further details are included in the SIP (Feb 2022: Sections 5 and 6; June 2022: Sections 10 and 18).</i></p> <p><i>The Trustee keeps its policies under regular review</i></p>	<p>DC Section</p> <p>“Non-financial matters” (where non-financial matters includes members’ ethical views separate from financial considerations such as financially material ESG issues) were not explicitly taken into account in the selection, retention and realisation of investments. The Trustee would have reviewed this policy in response to significant member demand. We note that Ethical and Shariah funds are available to members.</p> <p>The Investment Consultant periodically reported any change in its ESG ratings to the Trustee and made recommendations to the Trustee, as appropriate. The investment performance report, including ESG ratings of the funds, was reviewed by the Trustee on a quarterly basis. ESG ratings were also monitored as part of the annual Value for Members Assessment. The Plan’s investment managers remained highly rated up to the point when the Plan’s assets were transferred to MMT in July 2022.</p> <p>DB Section</p> <p>Under the delegated approach, initiated in April 2022, the Trustee adopts Mercer’s approach to ESG in respect to the DB Section’s assets. The Trustee considers how ESG, climate change and stewardship is integrated within Mercer’s investment processes and those of the underlying asset managers in</p>

Firth Rixson Pension Plan

			<p>the monitoring process. Mercer provides reporting to the Trustee on a regular basis.</p> <p><i>Policy Summary</i></p> <p>The Mercer Sustainability Policy is reviewed regularly. In August 2022 the policy update reflected enhancements to the approach to climate change modelling and transition modelling, additional detail on how the policy is implemented, monitored and governed and, as part of the commitment to promote diversity, finalising MGIE’s signatory status to the UK chapter of the 30% Club.</p> <p><i>Climate Change Reporting and Carbon Footprinting</i></p> <p>Mercer and the Trustee believe climate change poses a systemic risk and recognise that limiting global average temperature increases this century to “well below two degrees Celsius”, as per the 2015 Paris Agreement, is aligned with the best economic outcome for long-term diversified investors. Mercer supports this end goal and is committed to achieving net-zero absolute carbon emissions by 2050 for UK, European and Asian clients with discretionary portfolios, and for the majority of its multi-client, multi-asset funds domiciled in Ireland. To achieve this, Mercer plans to reduce portfolio relative carbon emissions by at least 45% from 2019 baseline levels by 2030. The growth portfolio (ex. the private real estate debt commitments) is in-scope of this commitment. The Trustee notes that as at 31 December 2022 Mercer is on track to reach the long-term net zero portfolio carbon emissions target.</p> <p><i>ESG Ratings Review</i></p>
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Firth Rixson Pension Plan

			<p>Where available, ESG ratings assigned by Mercer are included in the investment performance reports produced by Mercer on a quarterly basis and reviewed by the Trustee. ESG ratings are reviewed by MGIE during quarterly monitoring processes, with a more comprehensive review performed annually - which seeks evidence of positive momentum on ESG integration and compares each Mercer fund's overall ESG rating with the appropriate universe of strategies. Engagements are prioritised with managers where their strategy's ESG rating is behind that of their peer universe.</p> <p>As at 31 December 2022, in the Annual Sustainability Report provided by Mercer, the Trustee noted over 20% of Mercer's funds have seen an improved ESG rating over the year and the vast majority have a rating ahead of the wider universe.</p> <p>Approach to Exclusions</p> <p>As an overarching principle, Mercer prefer an approach of positive engagement rather than negative divestment. However Mercer recognises that there are a number of cases in which investors deem it unacceptable to profit from certain areas and therefore exclusions will be appropriate.</p> <p>Controversial weapons are excluded from active equity and fixed income funds, and passive equity funds. In addition tobacco companies (based on revenue) are excluded from active equity and fixed income funds.</p> <p>Mercer expanded exclusions to further promote environmental and social characteristics across the majority of the multi-client building block funds over the second half of 2022, in line with EU SFDR Article 8 classification, as well as aligning Mercer's existing active and passive exclusions across their fund range.</p>
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Firth Rixson Pension Plan

			<p>Diversity</p> <p>Mercer consider broader forms of diversity in decision-making, but currently report on gender diversity. As at 31 December 2022, 36% of the Key Decision Makers (KDM's) within Mercer IS team are non-male, and Mercer's long term target is 50%.</p> <p>In Q3 2022 MGIE was confirmed as a signatory of the UK Chapter of the 30% Club.</p> <p>Sustainably-themed investments</p> <p>An allocation to Passive Sustainable Equities is included within the Plan's portfolio of Growth assets, with the strategic allocation to Sustainable Equities now accounting for c.6.4% of the Growth Portfolio.</p>
<p>4</p>	<p>The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant</p>	<p><i>The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan's investments to the investment managers used within the MWS funds (for the DC Section) and the underlying managers of the Mercer Funds (for the DB Section).</i></p> <p><i>In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports</i></p>	<p>DC Section</p> <p>The Plan's DC investments took the form of shares or units in the MWS funds.</p> <p>Within the DC Section of the Plan, any voting rights that applied with respect to the underlying investments attached to the MWS Funds were, ultimately, delegated to the third party investment managers appointed by MWS. MWS accepts that managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled managers to vote based on their own proxy-voting execution policy, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. As such the Trustee did not use the direct services of a proxy voter.</p>

Firth Rixson Pension Plan

	<p>persons about relevant matters).</p>	<p><i>to ensure the policies are being met.</i></p> <p><i>Further details are included in the SIP (Feb 2022: Sections 5 and 6; June 2022: Sections 10 and 18).</i></p>	<p>The Trustee delegated their voting rights to the underlying investment managers used within the MWS Funds. Investment managers were expected to provide voting summary reporting on a regular basis, at least annually. MWS publishes an annual ESG report. The purpose of this report is to provide Mercer Workplace Savings (MWS) clients with the Investment Governance Committee’s assessment of the investment arrangement in relation to the four-pillar framework, namely, Integration, Stewardship, Investment and Screening that is used to ensure that ESG factors are being taken into consideration across the arrangement. The report also considers progress made in relation to climate change, one of the key elements of the ESG approach.</p> <p>The Trustee gave investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The voting records of the investment managers are summarised in Section 4 of this Implementation Statement. Particular focus is placed on the voting activity of the Mercer Growth Fund, as it represented the vast majority of the DC Section’s assets. The Trustee did not actively challenge managers on voting activity.</p> <p>From October 2022 trustees are required to identify their key stewardship themes and priorities and report on significant votes linked to these themes/priorities. Significant votes are defined as those that are linked to these key stewardship themes and priorities or are significant for another reason. Further details are set out later in the report. A summary of voting</p>
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Firth Rixson Pension Plan

			<p>activity for the year to 5 April 2023 relating to the MWS funds relevant to the DC Section of the Plan is included in Section 4 of this statement.</p> <p>DB Section</p> <p>The Trustee’s policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Plan’s DB Section investments to the third party investment managers appointed by Mercer on the Trustee’s behalf.</p> <p>In line with the requirements of the EU Shareholder Rights Directive II, Mercer has implemented a standalone Stewardship Policy to specifically address the requirements of the directive. This Policy was also updated in August 2022 to reflect enhancements made to Mercer’s stewardship approach, including the introduction of Engagement Dashboards and Trackers, an enhanced UN Global Compact engagement and escalation process and a Client engagement survey.</p> <p>UN Principles of Responsible Investing scores for 2021 (based on 2020 activity) were issued over Q3 2022. Mercer was awarded top marks for the over-arching Investment and Stewardship Policy section, underpinned by strong individual asset class results.</p> <p>Any voting rights that do apply with respect to the underlying investments attached to the Mercer Funds are, ultimately, delegated to the third party investment managers appointed by MGIE. In delegating these rights, MGIE accepts that managers are typically best placed to exercise voting rights and prioritise particular engagement topics by security, given they are expected to have detailed knowledge of both the governance and the operations of the companies and issuers they invest in. However, Mercer has a pivotal role in monitoring their stewardship activities and promoting more effective</p>
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Firth Rixson Pension Plan

			<p>stewardship practices, including ensuring attention is given to more strategic themes and topics. As such, proxy voting responsibility is given to listed equity investment managers with an expectation that all shares are to be voted in a timely manner and a manner deemed most likely to protect and enhance long-term value. Mercer and MGIE carefully evaluates each sub-investment manager's capability in ESG engagement and proxy voting as part of the selection process, to ensure it is representing Mercer's commitment to good governance, integration of sustainability considerations. Managers are expected to take account of current best practice such as the UK Stewardship Code 2021, to which Mercer is a signatory. As such the Trustee does not use the direct services of a proxy voter.</p>
5	<p>Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies</p>	<p><i>The Trustee's policy is set out in the SIP (Feb 2022: Section 17. June 2022: Sections 12 and 20)</i></p>	<p>DC Section</p> <p>The Trustee accessed underlying investment manager funds through the MWS providers' insurance platform. MWS appoints underlying investment managers and the Trustee selected funds from these investment managers based on their capabilities, and therefore the perceived likelihood of achieving the expected return and risk characteristics required. Mercer's manager research rating reflects Mercer's forward-looking assessment of a manager's ability to meet or exceed their objectives.</p> <p>As the DC Section was invested via MWS, the Trustee accepted that it did not have the ability to determine the risk profile and return targets of specific MWS funds. The Trustee expected MWS to manage the assets in a manner that was consistent with the Trustee's overall investment objectives as outlined in the SIP.</p>

Firth Rixson Pension Plan

			<p>The Trustee’s focus was on longer-term performance but shorter-term performance was also monitored to ensure any concerns were identified in a timely manner. The Trustee reviewed both absolute and relative performance of the Plan’s investment options on a quarterly basis. The Trustee also relied on Mercer’s manager research capabilities. The Trustee was satisfied that the arrangements in place continued to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance. There were no performance concerns over the Plan Year.</p> <p>DB Section</p> <p>At the start of the Plan Year the Trustee, having considered advice, took the decision to terminate its appointments with Legal and General Investment Management Ltd, M&G Investment Management Limited and Northern Trust (as custodian) and transferring these assets to a delegated Mercer portfolio. This transition was made to better align the investment objectives of the Trustee with the investment strategy and policies of the DB Section assets.</p> <p>The delegated investment strategy, adopted in April 2022, is based on the advice from Mercer which is predicated on a framework which is seeking to meet the Trustee’s key objectives as defined within the SIP and therefore intrinsically aligns Mercer with said policies. To bring about further alignment, and in accordance with the applicable regulation, the Trustee has set and assesses Mercer on a set of strategic objectives that reflect its overall objectives for the DB Section assets.</p> <p>With respect to the underlying asset managers within the Mercer Funds, where these managers are not meeting expectations, Mercer is expected to engage with these managers. This can lead to manager appointments within these funds being terminated. Over the Plan Year manager changes were</p>
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Firth Rixson Pension Plan

			made within the Mercer UK Equity and Mercer Select Alternative Strategies Funds.
6	Evaluation of asset managers' performance and remuneration for asset management services	<i>The Trustee's policy is set out in the SIP (Feb 2022: Section 17. June 2022: Sections 12 and 20)</i>	<p>DC Section</p> <p>The Trustee monitored and evaluated the fees paid for asset management services on an ongoing basis taking into account the progress made in achieving its investment strategy objectives.</p> <p>The remuneration for the investment managers used by the DC Section was based on assets under management; the levels of these fees were reviewed annually as part of the annual Value for Members Assessment to ensure they continued to represent 'good' value. If the investment managers' performance was not satisfactory, the Trustee requested an explanation of performance and process from the relevant investment manager. If not satisfied with this, the Trustee requested further action be taken, including a review of fees.</p> <p>DB Section</p> <p>The Trustee receives and reviews quarterly reports produced by Mercer covering the performance of underlying managers as well as the progression of the DB Section's investments towards the Trustee's objectives. As at 31 March 2023 the Trustee notes that the growth portfolio had performed in-line with the target cash + 4.0% p.a. objective since transition to the Mercer portfolio. Further, despite volatile market conditions, the Plan's DB assets had marginally outperformed the change in the value of the Plan's DB liabilities over this same period. These reports include the costs incurred by the Plan's investment arrangements with Mercer.</p>

Firth Rixson Pension Plan

			<p>Mercer is expected to continuously monitor the underlying asset managers within the Mercer Funds. This monitoring extends to the performance of these managers which, if this does not meet expectations may lead to these appointments being terminated. In this monitoring Mercer is additionally expected to negotiate competitive fees on new appointments as well as existing ones.</p>
7	Monitoring portfolio turnover costs	<p><i>The Trustee's policy is set out in the SIP (Feb 2022: Section 17. June 2022: Sections 12 and 20)</i></p>	<p>DC Section</p> <p>The Trustee did not define target portfolio turnover ranges for investment managers, as the Trustee used pooled fund structures which limited the ability to do so. Transaction Costs were reviewed by the Trustee once a year upon analysis as part of the annual Value for Members Assessment and these are also disclosed in the Chair's Statement. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager.</p> <p>DB Section</p> <p>The Trustee utilised Mercer's specialist transitions manager, Sentinel, to arrange the transition of assets from its legacy manager arrangements to the Mercer portfolio. This enabled out of market exposure to be eliminated for the vast majority of assets transferred, meaning these assets remained invested throughout the transition period.</p> <p>Mercer's ongoing management of the Plan's assets, and any investment decisions taken, is cognisant of portfolio transaction costs and performance is reported on a net of fees basis.</p> <p>The Trustee has delegated the implementation of the Plan's investment strategy to Mercer. Mercer's management of the Plan's assets, and any</p>

Firth Rixson Pension Plan

			<p>investment decisions taken, is cognisant of portfolio transaction costs and performance is reported on a net of fees basis. The Trustee receives the costs incurred by the Plan’s investment arrangements with Mercer on a quarterly basis as well as receiving the annual costs and charges statements required by both MiFID II and more recently the CMA.</p>
<p>8</p>	<p>The duration of the arrangements with asset managers</p>	<p><i>The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis.</i></p> <p><i>The full policy is provided in the SIP. (Feb 2022: Section 17. June 2022: Sections 12 and 20)</i></p>	<p>DC Section</p> <p>Investment managers were aware that their continued appointment was based on their success in delivering the mandate for which they had been appointed to manage over the period under assessment.</p> <p>The members and assets of the DC section of the Plan were transferred to MMT in July 2022. No concerns were raised before the members and assets were transferred to MMT.</p> <p>DB Section</p> <p>Investment managers were aware that their continued appointment was based on their success in delivering the mandate for which they had been appointed to manage over the period under assessment.</p> <p>At the start of the Plan Year the Trustee, having considered advice, took the decision to terminate its appointments with Legal and General Investment Management Ltd, M&G Investment Management Limited and Northern Trust (as custodian) and transferring these assets to a delegated Mercer portfolio.</p> <p>In selecting Mercer the Trustee conducted a competitive tender process and considered other solutions and providers. Following Mercer’s appointment the Trustee has continued to monitor Mercer against the objectives it has set.</p>

Firth Rixson Pension Plan

			<p>The underlying managers assigned to the Mercer Funds are aware that their appointment is dependent upon them meeting the objectives set by Mercer. Mercer monitors the underlying investment managers and, if considered appropriate, will terminate their appointments. The funds in which manager appointments have changed over the period are provided in section 5.</p>
<p>9</p>	<p>Kinds of investments to be held, the balance between different kinds of investments and expected return on investments</p>	<p><i>The Trustee’s policy on the kind of investments to be held and the balance between different kinds of investments can be found under the following sections of the SIP:</i></p> <p><i>Investment Objectives (Feb 2022 SIP: Sections 8, 14 and A2. June 2022 SIP: Sections 3, 15 and A2)</i></p> <ul style="list-style-type: none"> – <i>Investment Policies (Feb 2022 SIP Sections 8 and 14. June 2022 SIP Sections 3 and 15)</i> – <i>Portfolio Construction (Feb 2022 SIP Section 3)</i> – <i>Process for choosing investments (Feb 2022 SIP Section 7. June 2022 SIP Section 10)</i> 	<p>DC Section</p> <p>The default investment strategy was designed after careful analysis of the membership demographic and other characteristics in order to offer a suitable approach in so far as is practical, to the needs of the DC Section’s members. The Trustee carried out regular assessments of the performance of the default investment strategy and its design to ensure they remained appropriate for the membership. The most recent assessment was undertaken in May 2021. The Trustee requested its investment adviser, Mercer, to undertake an investment strategy review to confirm:</p> <ul style="list-style-type: none"> - the ongoing suitability of the default investment fund - the suitability of the range of self-select investment options <p>In the context of any significant changes to member demographics and a wider review of the future DC provision being undertaken by the Company. The review concluded that the existing arrangements remained suitable and no changes were recommended.</p> <p>The Trustee recognised that the default investment strategies would not meet the needs of all members and as such, alternative investment options</p>

Firth Rixson Pension Plan

		<ul style="list-style-type: none"> – <i>Investment Strategy (June 2022 SIP Section 5 and 17)</i> – <i>DC Default Investment Strategy - Aims and Objectives, Investment Policies, Members' Best Interests (SIP Section A4)</i> – <i>Legacy Default Investment Strategies - Aims and Objectives, Investment Policies, Members' Best Interests (SIP Section A4)</i> – <i>Additional Default Arrangements, Aims and Objectives, Investment Policies, Members' Best Interests (SIP Sections B - H)</i> 	<p>were available for members to choose from – including alternative Lifestyle arrangements and a range of self-select funds.</p> <p>Over the Plan Year, (up to the point of transfer to MMT in July 2022), the Trustee received quarterly investment reports from Mercer for all of the funds within the Lifestyle arrangements in addition to the self-select funds. These reports included fund performance against benchmarks over both short and longer-term periods. Investment performance was reviewed by the Trustee at the quarterly Trustee meetings.</p> <p>The Trustee was satisfied that the funds performed in line with its underlying aims and objectives over the Plan Year.</p> <p>DB Section</p> <p>At the start of the Plan Year the Trustee transitioned the DB Section assets to a delegated portfolio managed by Mercer. Under this arrangement the split between higher risk / return growth assets and liability hedging matching assets is set with consideration of the Trustee's funding level objectives and risk appetite. This split was further reviewed, with advice from Mercer, in December 2022. Following these discussions it was agreed that the split between growth / matching assets was 60% / 40% and for this split, and any de-risking framework to reduce the growth allocation over time, to be reviewed on an annual basis.</p> <p>The Trustee has delegated the allocation within the growth and matching portfolios to Mercer. Mercer determines these allocations, including the level of hedging, in order to balance the expected level of return with an appropriate level of risk. Mercer reviews this allocation on an ongoing basis to ensure it remains appropriate.</p>
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Firth Rixson Pension Plan

<p>10</p>	<p>Risks, including the ways in which risks are to be measured and managed</p>	<p><i>The Trustee recognises a number of risks involved in the investment of the assets of the DC and DB Section and that the choice and allocation of investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found in Sections 9 and 15 of the Feb 2022 SIP and Sections 4 and 16 of the June 2022 SIP (Risk Management and Measurement).</i></p>	<p>DC Section</p> <p>In determining which investment options to make available the Trustee considered the investment risk associated with DC pension investment. The risk can be defined as the uncertainty over the ultimate amount of savings available on retirement which is determined by a number of different risk factors.</p> <p>The Trustee received administration reports, up to the point of the transfer to Mercer Master Trust in July 2022 which were reviewed at the Trustee’s meetings to ensure that core financial transactions were processed within agreed service levels and regulatory timelines.</p> <p>Other risks were managed during the year as described in the SIP.</p> <p>The Trustee also received updates from the Investment Consultant on developments concerning the investment manager. The Trustee considered the structure of the Plan’s investment options and sought to transfer members in each of these to similar investment options within the MMT, considering aspects such as the risks identified in the SIP.</p> <p>DB Section</p> <p>Under the delegated investment approach Mercer manages the Plan’s DB Section assets with the major risks in mind, as detailed in the SIP policy for all decisions taken on the Trustee’s behalf. These include but are not limited to the mismatch between assets and liabilities, diversification of assets, manager specific risk, illiquidity, currency risk and ESG factors. Mercer provides regular reporting to the Trustee on performance and risk at least</p>
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Firth Rixson Pension Plan

			<p>monthly with quarterly reporting reviewed by the Trustee at regular meetings.</p> <p>The reviews of the investment strategy carried out over the Plan Year provided the Trustee with an opportunity to consider their long-term objectives and their risk appetite, including the Sponsor's ability to support this appetite. Following these reviews the key decision made was the split between the DB Section Growth and Matching portfolio. Going forward the Trustee, with advice from Mercer, will carry out these reviews on an annual basis.</p>
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Firth Rixson Pension Plan

4. Investment Manager Voting Summary

4.1. DC Section

The DC Section of the Plan had no direct relationship with the pooled funds it was ultimately invested in, and therefore no voting rights in relation to the Plan's investments. The Trustee therefore effectively delegated its voting rights to the managers of the funds the Plan's investments were ultimately invested in.

The Trustee has not been asked to vote on any specific matters over the Plan year. Nevertheless, this Statement sets out a summary of the key voting activity of the pooled funds for which voting was possible (i.e., all funds which include equity holdings) in which the Plan's DC assets were ultimately invested.

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. Data is as at 30 June 2022 as the Plan assets transferred to MMT in July 2022. Funds where voting is not applicable (i.e. non-equity funds) are not included in the list below.

Fund	Mercer Growth	Mercer Diversified Retirement	Mercer Passive Emerging Markets Equity	Mercer Passive Shariah	BlackRock - Passive Global Equity (30:70) (GBP Hedged)	LGIM - Ethical UK Equity	Mercer Active UK Equity	Mercer Active Global Equity	Mercer Active Emerging Markets Equity	Mercer Diversified Growth
Total DC Section Allocation at 30 June 2022	75.7	0.0	0.0	0.1	0.6	0.2	0.1	0.1	0.1	0.1
Number of meetings eligible to vote at over year to 30 June 2022	10,866	3,131	2,926	107	2,657	267	66	420	651	10,665

Firth Rixson Pension Plan

Fund	Mercer Growth	Mercer Diversified Retirement	Mercer Passive Emerging Markets Equity	Mercer Passive Shariah	BlackRock - Passive Global Equity (30:70) (GBP Hedged)	LGIM - Ethical UK Equity	Mercer Active UK Equity	Mercer Active Global Equity	Mercer Active Emerging Markets Equity	Mercer Diversified Growth
Number of resolutions eligible to vote on over year to 30 June 2022	113,157	40,037	25,499	1,652	34,975	4,418	1,063	5,673	8,945	110,613
Percentage of resolutions voted on where eligible	99.8%	99.9%	99.7%	95.7%	96.0%	100.0%	100.0%	100.0%	99.8%	99.8%
Of the resolutions voted on, percentage voted with management	82.5%	82.5%	79.9%	82.8%	93.0%	94.1%	99.1%	92.0%	82.5%	82.5%
Of the resolutions voted on, percentage voted against management	16.5%	16.8%	17.5%	17.2%	6.0%	5.9%	0.7%	7.4%	14.8%	16.5%
Of the resolutions voted on, percentage abstained	1.0%	0.8%	2.7%	0.2%	0.0%	0.0%	0.2%	0.6%	2.7%	1.0%

Source: BlackRock, MWS and LGIM

Firth Rixson Pension Plan

4.2. DB Section

For the DB Section the Trustee reports on the voting activity for the year to 31 March 2023 for a range of the Mercer Funds that the Plan's assets are invested in. This may include information in relation to funds that the Plan's assets were no longer invested in at the year end. It is noted that the Plan invested in these portfolios from 29 April 2023 and therefore the voting table below covers a period marginally longer than the investment period of the Plan. Further, given the short period of investment within the Plan Year the Trustee is not reporting on the voting activity with respect to the Plan's legacy DB investment managers.

The statistics set out in the table below are drawn from the Glass Lewis voting system (via Mercer's custodian). Typically, votes exercised against management can indicate a thoughtful and active approach. This is particularly visible where votes have been exercised to escalate engagement objectives. The expectation is for all shares to be voted.

As part of the monitoring of managers' approaches to voting, MGIE assesses how managers are voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur (where managers vote in different ways for the same proposal). MGIE portfolio managers will use these results to inform their engagements with managers on their voting activities.

Definitions

"Unvoted" reflects instances where managers have not actioned a vote – these are specific areas where MGIE will follow up to ensure managers have appropriate systems in place to ensure all votes are actioned.

"Other" reflects instances where managers have withheld votes in Power of Attorney markets, share blocking markets or where conflicts of interest may be present.

"Mixed" refers to occasions where underlying managers have voted differently for the same proposal. Vote decisions of this nature are monitored and fed into the wider engagement process with managers.

Firth Rixson Pension Plan

Fund	Total Proposals		Vote Decision					For/Against Mgmt	
	Eligible Proposals	Proposals Voted On	For	Against	Abstain	No Action	Other	For	Against
Mercer Multi-Asset Credit Fund ⁽¹⁾	11	11	91%	9%	0%	0%	0%	91%	9%
Mercer Passive Emerging Markets Equity Fund	26,187	25,405	80%	17%	3%	0%	0%	82%	18%
Mercer Passive Global Listed Infrastructure UCITS	3,638	3,455	72%	23%	4%	1%	0%	74%	26%
Mercer Passive Global REITS UCITS CCF	3,117	2,982	79%	16%	0%	4%	0%	79%	21%
Mercer Passive Global Small Cap Equity UCITS CCF	47,303	45,904	84%	13%	0%	3%	1%	85%	15%
Mercer Passive Low Volatility Equity UCITS CCF	3,852	3,766	84%	14%	0%	2%	0%	83%	17%
Mercer Passive Sustainable Global Equity UCITS CCF	16,150	15,689	78%	19%	0%	2%	0%	78%	22%
MGI Eurozone Equity Fund	4,721	4,610	85%	12%	2%	0%	0%	86%	14%
MGI UK Equity Fund	1,082	1,081	99%	1%	0%	0%	0%	99%	1%
Mercer China Equity Fund	547	544	94%	6%	1%	0%	0%	94%	6%

⁽¹⁾ Voting Activity figures for the Mercer Multi-Asset Credit fund relate to a small number of equity holdings within the fund's underlying segregated mandates. Please note this does not include voting activity from any underlying pooled strategies within the fund over the period

- “Eligible Proposals” reflect all proposals of which managers were eligible to vote on over the period
- “Proposals Voted On” reflect the proposals managers have voted on over the period (including votes For and Against, and any frequency votes encompassed in the “Other” category)”
- “No Action” reflects instances where managers have not actioned a vote. MGIE may follow up with managers to understand the reasoning behind these decisions, and to assess the systems managers have in place to ensure voting rights are being used meaningfully
- “Other” refers to proposals in which the decision is frequency related (e.g. 1 year or 3 year votes regarding the frequency of future say-on-pay).

Firth Rixson Pension Plan

5. Sample of significant votes over the Plan Year

5.1. DC Section

From October 2022 trustees are required to identify their key stewardship themes and priorities and report on significant votes linked to these themes/priorities. Significant votes are defined as those that are linked to these key stewardship themes and priorities or are significant for another reason. The Trustee has classified significant votes as:

- Environmental – climate change, low carbon transition & physical damage resilience; and
- Governance – Inclusive, diverse decision making etc.

The Trustee has reviewed voting records from the managers in each of their priorities listed above.

The information in this section has been provided directly by the investment managers. The managers have provided detailed information on their voting. The Trustee has considered this information and disclosed the votes that they deem to be most significant. A “significant vote” is defined as one that is linked to the Plan’s stewardship priorities/themes. These priorities are set out above. The Trustee has weighted this analysis towards the funds used in the default strategy, where the majority of members’ assets are invested and companies that have the largest holdings within those funds (i.e. significant holdings).

Mercer Growth Fund

Company:	Prologis	NextEra Energy Inc.	Alphabet Inc.	Standard Bank Group Ltd.
Date:	04/05/2022	19/05/2022	01/06/2022	31/05/2022
Approx. size of holding at date of vote	0.431%	0.372%	0.096%	0.028%

Firth Rixson Pension Plan

Resolutions:	Management Proposal Regarding the Election of Executive Committee Members	Shareholder Proposal Regarding Disclosure of a Board Diversity and Skills Matrix	Shareholder Proposal Regarding Report on Board Diversity	Shareholder Proposal Regarding Disclosure of GHG Emissions
Manager Vote:	Against	For	For	For
Rationale:	Votes against were related to joint CEO/chair, diversity, and independence. A vote against is applied as the manager expects companies to separate the roles of Chair and CEO due to risk management and oversight. Also, the company has an all-male Executive Committee. Finally, the manager expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.	A vote in favour is applied because the manager believes that a well governed and diverse board is more likely to perform over the long term.	A vote in favour is applied because the manager believes that a well governed and diverse board is more likely to perform over the long term.	Support for all climate-related shareholder proposals at Standard Bank Group's 2022 AGM is considered warranted in light of the benefits of progressive disclosure on the company's financed emissions and climate strategy, noting that the company considering to put the proposals to vote is a positive development.
Outcome:	Passed	Not passed	Not passed	Not passed
Priority Area	Board Diversity	Board Diversity	Board Diversity	Climate Change

Source: MWS (30 June 2022)

Firth Rixson Pension Plan

5.2. DB Section

The Trustee has based the definition of significant votes on Mercer's [Beliefs, Materiality and Impact \(BMI\) Framework](#). Reported below are the *most* significant proposals over the period. Significant proposals are determined using the following criteria:

1. The proposal topic relates to an Engagement Priority (climate change, human/labour rights, and diversity). This is classified in the "Proposal Description" column below, referenced as Environmental, Social, and Governance respectively.
2. The *most* significant proposals reported below relate to the three companies with the largest weight in each fund (relative to other companies in the full list of significant proposals).

The most significant votes for the DB Section of the Plan with respect to the Mercer portfolio in the year to 31 March 2023 is provided below. The Trustee has not reported on the legacy managers of the DB Section given the short period of investment during the Plan year with these managers.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
Mercer Passive Global Listed Infrastructure UCITS	Climate Change: <i>Shareholder Approval of Climate Action Plan</i>	Atlantia	2%	29-Apr-22	For	84%	A vote FOR this item is warranted because the company's climate transition plan reflects a net zero ambition by 2040 (scope 1&2) and by 2050 (scope 3). This includes clear scope 1&2 targets for 2030 and a commitment to set up scope 3 targets for 2040. In addition, the governance structure for addressing and dealing with the climate topics is transparent and appears robust, and the company will give shareholders an advisory vote on its climate action reporting every three years.
	Climate Change: <i>Shareholder Proposal Regarding Medium-Term Targets For Scope 3 GHG Emissions</i>	Dominion Energy Inc	2%	11-May-22	For	16%	A vote for this shareholder proposal is warranted. Although we appreciate the huge strides made by the company in setting ghg reduction targets and expanding coverage to include scope 3 emissions, LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
	Climate Change: <i>Shareholder Proposal Regarding Report on Stranded Asset Risk</i>	Dominion Energy Inc	2%	11-May-22	For	75%	A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
	Climate Change: <i>Shareholder Proposal Regarding Science-Based Net Zero Target</i>	Enbridge Inc	3%	4-May-22	For	22%	While we note the improvement the company has made with regards to disclosure and its operational emissions reduction targets, a vote FOR is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and respective short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5 C goal.
Mercer Passive Global REITS UCITS CCF	Climate Change: <i>Approval of Climate Change Ambitions and Targets</i>	Carmila	0%	12-May-22	For	98%	A vote FOR is warranted as the company commits to Net Zero on Scope 1 and Scope 2 by 2030 (SBT approved) and Net Zero on all scopes by 2040 with 90% reduction of GHG emissions and 10% compensation.
	Climate Change: <i>Approval of Climate Transition and Biodiversity Preservation</i>	Icade	0%	22-Apr-22	For	99%	A vote FOR this proposal was warranted, as the company presented a 1.5°C trajectory Net Zero ambition with short-, medium- and long-term targets and a detailed roadmap to achieving its goals for this decade. The level of transparency and the governance structure for addressing and dealing with the climate topics appeared robust. The company notably commits to an advisory vote on this matter on a yearly basis. We will keep the company's progress in obtaining SBTi approval for its targets under review.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
	Climate Change: <i>Opinion on Ambition to Fight Climate Change</i>	Mercialys	0%	28-Apr-22	Against	79%	A vote against is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5°C goal.
Mercer Passive Global Small Cap Equity UCITS CCF	Climate Change: <i>Shareholder Proposal Regarding Adoption of Targets to Achieve Net-zero Emissions by 2050</i>	Builders Firstsource Inc	0%	14-Jun-22	For	84%	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.
	Climate Change: <i>Advisory vote on Climate Transition Plan</i>	Centrica plc	0%	7-Jun-22	For	79%	The company has committed to meeting TCFD recommendations and to obtain SBTi approval for targets.
	Climate Change: <i>Shareholder Proposal Regarding Adoption of Targets to Achieve Net-zero Emissions by 2050</i>	US Foods Holding Corp	0%	18-May-22	For	0%	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
Mercer Passive Low Volatility Equity UCITS CCF	Diversity, Equity and Inclusion: <i>Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report</i>	Apple Inc	1%	10-Mar-23	For	33%	We will support proposals that seek the disclosure of the median pay gap.
	Human Rights & Labour Practices: <i>Shareholder Proposal Regarding Human Rights Reporting</i>	Kroger Co.	1%	23-Jun-22	For	21%	The request for additional reporting is reasonable, and would enable shareholders to have a better understanding of the company's approach.
	Human Rights & Labour Practices: <i>Shareholder Proposal Regarding Report on Hiring Practices</i>	Microsoft Corporation	1%	13-Dec-22	Against	11%	The company provides existing reporting covering the majority of the information requested.
Mercer Passive Sustainable Global Equity UCITS CCF	Human Rights & Labour Practices: <i>Shareholder Proposal Regarding Human Rights Impact Assessment Report</i>	Alphabet Inc	2%	1-Jun-22	For	23%	LGIM intends to vote in favour of the proposal to undertake such risk assessments as LGIM considers human rights issues to be a material risk to companies.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
	Climate Change: <i>Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement</i>	Alphabet Inc	2%	1-Jun-22	For	19%	A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
	Climate Change: <i>Shareholder Proposal Regarding Report on Physical Risks of Climate Change</i>	Alphabet Inc	2%	1-Jun-22	For	18%	A vote in favour was applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.
	Diversity, Equity and Inclusion: <i>Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report</i>	Apple Inc	8%	10-Mar-23	For	33%	A vote in favour was applied as the manager expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
	Human Rights & Labour Practices: <i>Shareholder Proposal Regarding Report on Hiring Practices</i>	Microsoft Corporation	5%	13-Dec-22	Against	11%	The manager felt a vote AGAINST this resolution was warranted, as the company has implemented the main requests of the Fair Chance Business Pledge and is disclosing sufficient information for shareholders to be able to assess the impact of its various diversity and inclusion initiatives.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
MGI Eurozone Equity Fund	Climate Change: Approval of Climate Strategy, Targets and Progress 2022	Barclays plc	1%	4-May-22	For	80%	<p>A vote FOR this item is considered warranted, although it is not without concern for shareholders. The Company has not committed to further Say on Climate votes. The Company's approach to financed emissions has been the subject of criticism. Concerns are raised with the Company's approach to the target range in respect of power, cement and steel, given that, while the higher end of the range is in line with the IEA NZE, the lower end would not meet expectations. As flagged in last year's report, the Company's restrictive policies, especially as they relate to thermal coal and the expansion of oil and gas, require further improvement to be in line with expectations and with the Company's overarching net zero climate ambitions. The main reasons for support are the Company has a track-record of responding to shareholders on climate concerns. The decision to put a Say on Climate vote to shareholders is further proof of this. While ISS typically flags the benefit of an annual vote given the quickly evolving nature of this space, the Company's responsiveness to shareholder concerns helps to mitigate concerns that this will act as a one-off vote on the Company's climate response. The Company has made clear progress and has set clear targets in the short-to-medium term on its ambition to have net zero operations and reduce supply chain emissions. Improvements have been made on the Company's approach to financed emissions, with new IEA NZE 2050-derived targets in four key sectors, and further targets committed to in future years.</p>

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
	Climate Change: <i>Opinion on Climate Transition Strategy</i>	Engie	1%	21-Apr-22	For	86%	Managers felt a vote FOR this item was warranted although the following concerns are raised:- The company does not provide a detailed plan further than 2030;- The company does not commit to a regular shareholders' say-on-climate;- The company's greenhouse gas emissions are on the raise with no short-term commitment to overturn this trend.The main reasons for support are:- The company's ambition is Paris-Aligned on full scope by 2045, with an ambition to go beyond that;- The company provides a detailed action roadmap by 2030;- The level of transparency is in line with peers;- The governance structure for addressing and dealing with the climate topics appears robust.
	Climate Change: <i>Opinion on 2022 Sustainability and Climate Progress Report</i>	TotalEnergies SE	2%	25-May-22	For	84%	A vote FOR this item is warranted as the following concerns are raised but it is not without any concerns for shareholders:- Considering announced increased productions and new production sites, the partial disclosure and the absence of clear absolute scope 3 reduction targets do not allow to assess whether the company's plan is robust enough to be in line with its Net Zero ambition by 2050 in line with Paris goal.Support is warranted as:- The company committed to reduce by 30 percent scope 3 GHG emissions from oil production by 2030;- The company pursues its investments in alternative sources of energy and CCS technology;- The company committed to disclose absolute targets for GHG emissions covering all activities, the evolution of the energy mix and targeted production volumes, the potential contribution of CCS technology, and the work of assessment carried out by the independent third party; and- The company committed to propose a shareholders' vote at each AGM its sustainable and climate report and progress.

Firth Rixson Pension Plan

Fund Name	Proposal	Company	% Holding	Meeting Date	Vote Decision	Vote Outcome	Vote Rationale
MGI UK Equity Fund	Climate Change: Approval of Climate Action Plan	Rio Tinto plc	4%	8-Apr-22	Against	82%	We opposed the climate action plan. We think the company can do more to address its lifecycle emissions, including setting ambitious medium and long-term scope 3 targets. We encouraged Rio Tinto to lead the mining and minerals industry by setting stretching scope 3 emissions reduction targets.
	Climate Change: Endorsement of Pathway to Net Zero	Standard Chartered plc	2%	4-May-22	For	83%	After engagement with the company we believe the company's own net zero plan to be appropriate, and therefore supported the management resolution.
	Climate Change: Shareholder Proposal Regarding Fossil Fuel Financing	Standard Chartered plc	2%	4-May-22	Against	12%	We opposed a shareholder resolution to implement a revised net zero plan. After engagement with the company we believe that the company's own net zero plan to be appropriate.

Significant votes were not held with respect to the China Equity and Emerging Market Equity funds over the year. This is to be expected given the markets in which these funds invest in. Significant votes were also not cast for the Multi-Asset Credit fund which is to be expected given the low number of votes associated with this fund.

(1) Approximate size of the holding in the Fund as at the date of the vote. Size at the end of the relevant quarter.