

TRIUMPH INTERNATIONAL PENSION SCHEME

IMPLEMENTATION STATEMENT

Introduction

The Trustees are required to make publicly available online statement ("the Implementation Statement") covering both the Defined Contribution ("DC") and the Defined Benefit ("DB") sections of the Triumph International Pension Scheme (the "Scheme") in relation to the Scheme's Statement of Investment Principles (the "SIP").

A copy of the current SIP signed and dated May 2022 can be found here:

<https://www.triumph.com/corporate/pension-scheme/>

This Implementation Statement covers the Scheme year from 1 April 2021 to 31 March 2022 (the "Scheme Year"). It sets out:

- how, and the extent to which, in the opinion of the Trustees, the Scheme's SIP has been followed over the Scheme Year;
- details of any review of and/or changes made to the SIP over the Scheme Year as a result of such a review, explaining the reasons for those changes;
- how the Trustees' policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- the voting by or on behalf of the Trustees during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

A copy of this Implementation Statement is available on the following website:

<https://www.triumph.com/corporate/pension-scheme/>

DB Section:

The Trustees are responsible for the investment of the Scheme assets. Where it is required to make an investment decision, the Trustees always receives advice from the relevant advisers first and they believe that this ensures that they are appropriately familiar with the issues concerned. The Trustees also set the investment strategy and general investment policy but has delegated the day-to-day investment of the Scheme's assets, within pre-defined constraints to professional Fiduciary Manager. The Trustees, with advice from their advisers, appoints and monitors the Scheme's Underlying Investment Managers.

In September 2021 the Trustees took the opportunity to fully insure members' DB Section benefits with L&G thereby transferring all investment risk away from the Sponsoring Employer. As such, there are limited remaining investment assets and those that do remain are illiquid and are in the process of being sold down.

DC Section:

The Trustees delegate the day-to-day management of the assets to the DC Investment Manager, Legal and General Investment Management ("LGIM"). The DC Investment Manager's key responsibilities are listed within the SIP.

Aspects of implementation related to administration, investment of contributions and transitions are reviewed annually by the Trustees in their Value for Members assessment.

Implementation of the Trustees' SIP policies during the Scheme Year

In this section, we summarise the most significant activities undertaken in relation to the SIP by the Trustees, as amended through the Scheme Year, and in turn describe the actions and decisions taken by the Trustees over the Scheme Year and the extent to which these align with the beliefs and policies stated within the SIP.

TRIUMPH INTERNATIONAL PENSION SCHEME

DB and DC Sections

Investment governance

The Trustees are responsible for the investment of the Scheme assets. Where it is required to make an investment decision, the Trustees always receive advice from the relevant advisers first and they believe that this ensures that they are appropriately familiar with the issues concerned.

The Trustees set the investment strategy and general investment policy, but have delegated the day-to-day investment of the Scheme's assets, within pre-defined constraints to professional Investment Managers.

For the DB section, this is through the fiduciary management service provided by Schroders IS Limited ("SISL"), referred to as the 'Fiduciary Manager', or other Investment Managers, including those appointed by the Fiduciary Manager.

For the DC section, the day-to-day investment of the assets has been delegated to Legal & General Investment Management ("LGIM") and the underlying investment managers. Where they are required to make an investment decision, the Trustees receive written advice from the relevant advisers and all decisions are recorded in meeting minutes.

The full Trustee board met twice over the Scheme year for their regular meetings, and where necessary for additional projects.

This structure has allowed the Trustees to make the important decisions on investment policy, while delegating the day-to-day aspects to the appointed investment manager, or the advisers as appropriate. In particular, the governance structure allowed for close contact with the Scheme's advisers throughout the peak of the Covid crisis.

Corporate Governance and Stewardship

The Fiduciary Manager reviews underlying managers of the DB Section on a regular basis and at least every 3 years.

These reviews incorporate benchmarking of performance and fees, as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. Operational due diligence reviews, along with many areas, include review of the governance structure, portfolio turnover, conflicts of interest, ESG and stewardship policies (including engagement and voting policies). Over the Scheme year, there were no substantial issues with any of the Scheme's Investment Managers following these reviews.

The Trustees have set their investment adviser a set of objectives in relation their services on the DB Section. Following the decision to fully insure member benefits with an insurer and limited remaining investment assets, these objectives have been reduced to cover scheme management and compliance and service standards. The Trustees reviewed the Fiduciary Manager's performance against these objectives and was satisfied with the performance of the investment adviser over the Scheme year.

For the DB section, and where relevant given the transfer of assets to an insurer over the period, the Investment Managers were reviewed quarterly over the Scheme year with regard to performance against objectives.

The Trustees review the performance of the DC investments on a quarterly basis and compare these to relevant benchmarks.

Financially material factors including ESG and climate change

The Trustees attribute appropriate weight to ESG factors (and stewardship) when considering changes to the investment strategy and in appointing and reviewing investment managers. The Trustees' expectations for any current or future investment manager depends on the asset class involved, the degree of discretion given to the investment manager, and the time horizon over which the Trustees expect to hold the investment.

The management of ESG risk is also covered in the Risk section of the SIP.

TRIUMPH INTERNATIONAL PENSION SCHEME

Monitoring

Over the year the Trustees have monitored the performance of the underlying managers within each section on a quarterly basis.

For the DB section, the Trustees monitored the overall strategy and funding level at least quarterly over the year. In particular, the Trustees monitored the level of the Scheme's assets against a proxy for buyout pricing over the Scheme year, up until the point that the Scheme bought out with an insurer. The Trustees, with their advisors, take an integrated approach to the ongoing monitoring and consider the Scheme's funding level and sponsor covenant. Monitoring was provided in a quarterly DB investment governance report, which was presented at each Trustee meeting prior to the transfer of assets to an insurer in September 2021.

For the DC section, the Trustees monitored the underlying managers within the default strategy and the self-select fund range. Particular attention was given to the return and volatility of the default strategy, its composition and ability to meet the Trustees' objectives to meet members best interests and outcomes.

Non-financially material factors

The Trustees do not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold.

DB section

Investment strategy

The overall objective of the Scheme is to meet the benefit payments promised as they fall due and to do so the investment strategy is set with regard the level of investment risk and return deemed appropriate, taking into account wider risks for example the covenant. The Trustees, with advice from various advisers, have monitored this over the Scheme year.

In September 2021 the Trustees took the opportunity to fully insure members' DB Section benefits with L&G thereby transferring all investment risk away from the Sponsoring Employer. As such, there are limited remaining investment assets and those that do remain are illiquid and are in the process of being sold down. As such there are currently no return-related objective set by the Trustees.

Implementation of investment strategy

The Trustees have delegated implementation of the investment strategy to SISL as the Investment Manager, maintaining a formal agreement which sets out the guidelines and restrictions of the investment strategy. The Trustees acknowledge the inherent conflict of interest of the Investment Adviser and Investment Manager being the same organisation and manages this conflict by regularly reviewing the performance of the Investment Manager and comparing the services provided against those offered by competitors. During the Scheme year the Trustees monitored the performance of the Scheme's assets against the agreed objectives through monthly and more detailed quarterly reporting and monitored the suitability of the Investment Manager.

DC section

Default Investment Strategy and self-select range

The Trustees' objective is to make available a number of investment options that provide members with access to a range of different asset classes that differ in their level of investment risk and expected return. The Trustees provide a default investment strategy for members that do not want to make their own choices.

In designing the default strategy, the Trustees' focus is on member needs and outcomes. The Trustees believe the default strategy is in the best interest of members and beneficiaries, and undertake periodic reviews on the suitability of the strategy.

The Trustees are comfortable that the investment strategy reflects the needs and is in the best interests of the DC Section membership and the objectives as set out in the SIP.

The Trustees' policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the funds which the Trustees offer are daily priced.

TRIUMPH INTERNATIONAL PENSION SCHEME

Strategy implementation

The Trustees have chosen to incorporate an element of active management within the default arrangement via the LGIM Multi-Asset Fund, which aims to provide long-term investment growth through exposure to a diversified range of asset classes.

The Trustees delegate the day-to-day management of the assets to the DC Investment Manager, LGIM.

Aspects of implementation related to administration, investment of contributions and transitions are reviewed annually by the Trustees in their Value for Members assessment. Details of this is set out in the annual Chair Statement.

All funds used in the DC section (with the exception of With Profits) are daily priced and offer daily dealing to enable members to readily realise and change their investments.

Details of any review and/or changes made to the SIP over the Scheme Year

There were no changes to the SIP during the year ending 31 March 2022, however, the SIP has been updated within the last 3 years as required, with details of the changes included in the 2021 Implementation Statement.

Since the end of the Scheme Year, the SIP has been updated, with changes to be reflected in next year's Implementation Statement.

How the Trustee's policies on exercising voting rights and engagements have been followed over the Scheme Year

The Scheme invests in assets with voting rights attached, and other assets with no voting rights. The Trustees' policies on exercising voting rights and engagement are set out in the SIP. The Trustees made no changes to the voting and engagement policies contained in the SIP during the year. They will keep these policies under review.

The Trustees retain the Fiduciary Management³ service of Schroders IS Limited, formerly known as River and Mercantile Investments Limited, as their Investment Manager and Adviser (it is referred to as the "Fiduciary Manager" in the Implementation Statement). The Fiduciary Manager can appoint other investment managers in respect of underlying investments (these are referred to as "Underlying Investment Managers"). Schroders Group, a global asset manager, has a long history of engagement and active ownership, dating back to 1998 when it appointed its first governance resource, and has recorded and monitored ESG engagements since then. It is a signatory to the UK Stewardship code. Its external recognition includes an A+ rating for UN Principles for Responsible Investment, A- rating for Carbon Disclosure Project, Advanced ESG recognition from Morningstar and Best Investor Engagement recognition from IR Society Best Practice Award for 2021.

Investments with the Underlying Investment Managers are generally made via pooled investment funds, where the Scheme's investments are pooled with those of other investors. With a pooled investment fund, the direct control of the process of engaging with the companies that issue the underlying securities lies with the Underlying Investment Manager.

A copy of the SIP has been provided to the Fiduciary Manager, and the Fiduciary Manager is expected to follow the Trustees' policies on corporate governance and other financially material considerations when providing Fiduciary Management services. In particular, the Trustees require that the Fiduciary Manager considers stewardship activity including voting and engagement, and Environmental, Social and Governance (ESG) factors including climate change, when choosing new or monitoring existing Underlying Investment Managers.

The Trustees believe it is appropriate to delegate such decisions in order to achieve an integrated and joined up approach to ESG factors, voting and engagement. Similarly, the Trustees have not sought to set their own voting policy, a position they do not intend to change at this time.

The Trustees believe the current approach to stewardship is in members' and beneficiaries' best interest, as the voting and engagement carried out by both Fiduciary Manager and Underlying Investment Managers is

³ The Fiduciary Manager was acquired by Schroders Group on 1 February 2022, so two sets of engagement priorities/themes were applicable to the Scheme during the Scheme Year. Details of both sets of engagement themes can be found in the next section. Going forward, the Fiduciary Manager's engagement priorities will be aligned with the priorities of the broader Schroders Group.

TRIUMPH INTERNATIONAL PENSION SCHEME

expected to improve ESG related risk management and climate risk, and ultimately this is expected improve the financial outcome for the Scheme's members.

On behalf of the Trustees, monitoring of voting and engagement policy by Underlying Investment Managers in relation to the Scheme's investments was carried out by the Fiduciary Manager through regular investment and operational due diligence meetings with the Underlying Investment Managers.

Following activity during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the Statement of Investment Principles over the Scheme Year.

Voting and Engagement Summary

The process for exercising voting rights and engaging with the managers of assets held on behalf of the Scheme is as follows:

1) Engagement and the exercise of voting rights delegated to the Fiduciary Manager

The Fiduciary Manager exercises voting rights and engages with the Underlying Investment Managers on behalf of the Trustees in line with voting and engagement policies that sets out how the Fiduciary Manager will aim to vote at a general meeting of a pooled fund or how the Fiduciary Manager approaches engagement with Underlying Investment Managers and intended outcomes.

2) The Underlying Investment Managers exercise voting rights in the underlying securities and engages with the company issuing the security in line with the policies voted on by the Fiduciary Manager.

The Trustees have considered the voting behaviour (provided in the Appendix) along with engagement activity that took place on their behalf during the Scheme Year within the portfolio and is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting activity, challenges to management and active engagement on a range of relevant topics.

Specifically, the Trustees noted that:

- Each relevant manager demonstrated very high levels of voting rights being acted on, where voting is relevant. Where the voting was irrelevant, the Underlying Investment Managers showed they carried out a good level of engagement activities over the Scheme Year.
- Challenge to management was demonstrated through votes by the Underlying Investment Managers against management.
- There are two set of engagement priorities/themes from the Fiduciary Manager which the Trustees considered in this Implementation Statement. Examples were provided in the appendix and they were selected to demonstrate how the Fiduciary Manager & Underlying Investment Managers, on behalf of the Trustees, voted and engaged with the investee companies. Those engagement priorities and themes were set out below:
 - For R&M Solutions engagement priorities up to January 2022 (which will be aligned with Schroder Solutions' going forward given the acquisition of the business):
 - E Climate change: carbon emissions and footprint of our funds
 - S Human capital: employee engagement and satisfaction
 - G Corporate governance: board composition, executive pay / compensation
 - For Schroder Solutions' engagement themes (from February 2022 onwards):
 - Climate: Climate risk and oversight, Climate alignment including decarbonising and minimising emissions, climate adaptation and carbon capture and removal
 - Natural Capital and Biodiversity: Nature-related risk and management, circular economy, pollution and waste, sustainable food and water, deforestation
 - Human Rights: Overarching approach to human rights, works and communities, customers and consumers
 - Human Capital Management: Corporate culture and oversight, investment in the workforce, engagement and representation, health, safety and wellbeing

TRIUMPH INTERNATIONAL PENSION SCHEME

- Diversity and Inclusion: Board diversity and inclusion, executive & Workforce diversity and inclusion
- Corporate Governance: Board and management, executive remuneration, relationship with shareholders

DC Section

The Scheme's investments are made via pooled investment funds via the DC Investment Manager, LGIM, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue the underlying securities, monitoring and voting, whether for corporate governance purposes or other financially material considerations, is delegated to the underlying investment managers.

The Trustees have delegated responsibility for monitoring and voting on decisions relating to their underlying Manager holdings to the DC Investment Manager, which implements its fund voting policy. I.e. at the fund manager level LGIM hold voting rights, at the underlying company/stock level the underlying fund manager holds the voting and engagement rights.

The key areas the Trustees note from voting and engagement activity across their underlying managers over the year to 31 March 2022 is set out below.

- The general engagement theme over the Scheme year was on environmental issues, and climate strategy in particular. Executive pay and board diversity were the other main themes identified.
- LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

The Trustees are satisfied that the voting and engagement activity undertaken by the Fiduciary Manager and Underlying Investment Managers was in line with the Trustees' policies contained in the SIP and that no changes are required to these policies at this time. The Trustees will keep the position under review.

This Statement has been agreed by the Trustees.

31 October 2022

Trustee

TRIUMPH INTERNATIONAL PENSION SCHEME

Appendix 1 – Voting & Engagement statistics

1. Voting and engagement by the Fiduciary Manager (Schroders IS, formerly known as R&M) in relation to underlying pooled funds held on behalf of the Trustees

DB Section

Most of the rights and voting relating to the Scheme's investments relate to underlying securities investment in through pooled funds managed by underlying investment managers – this is covered in part 2 below. However, the pooled funds themselves often confer certain rights around voting or policies. These rights are exercised by the Fiduciary Manager on behalf of the Trustees and we cover these here.

Over the year to 31 March 2022, the Fiduciary Manager voted on 111 resolutions across 27 meetings. The Fiduciary Manager voted against management on 6 resolutions which was 5.7% of total resolutions and abstained on 6 resolutions (5.7% of the total resolutions).

The Schroders IS Investment Research team engaged with underlying investment managers regarding their clients' pooled fund investment on approximately 800 occasions during the 12 months period. The engagement topics covered a range of areas including executive board composition, investment management processes, fund documentation, auditor tenure and fund costs.

Over the Scheme Year, the Fiduciary Manager also

- engaged all Underlying Investment Managers on their plans relating to net zero and will engage on a regular basis with those who do not have any net zero target or plan to decarbonise;
- engaged with significant Underlying Investment Managers on the quality of its voting and engagement as the Fiduciary Manager is not satisfied with the quality of data currently provided.
- reviewed all Underlying Investment Managers against its updated proprietary ESG manager rating framework

Please note, the Scheme transferred the majority of its assets to an insurer in September 2021 so the full 12 month statistics described above will not be fully reflective of the Scheme's experience over the second half of the year to 31 March 2022.

2. Voting by the Underlying Investment Managers on securities held on behalf of the Trustees

DB Section

There remain only 2 Underlying Managers used by the Investment Manager as at 31 March 2022. Set out below is the voting statistics for these holdings, where those holdings are in excess of 10% of total assets and where the information is available.

Asset class	Fund name	Allocation (%) as at 31/03/2022
Alternative	Leadenhall	7.4
Return Seeking Credit	Orchard Taiga Special Opportunities DAC - Series A	68.2
Cash	Cash	24.3

Orchard Taiga Special Opportunities Fund

Orchard have provided engagement examples, however, they have expressed that these must remain confidential.

TRIUMPH INTERNATIONAL PENSION SCHEME

DC Section

This statement of implementation has been completed over the year to 31 March 2022 and where applicable, underlying managers have provided examples of engagement.

References to "ISS" relate to Institutional Shareholder Services, a proxy voting company.

The Investment Manager has only included allocations which represent at least 2.5% of assets within any of the default strategy's blended funds as at 31 March 2022 and have listed out the funds we have considered in detail below. The Investment Manager has not shown or considered allocations to gilt funds.

Asset class	Fund name	Maximum allocation within DC blended fund
Multi-asset	LGIM Multi-Asset (formerly Consensus) Fund	100%
Cash	LGIM Cash Fund	100%

Legal and General Investment Management (LGIM) – Multi-Asset Fund

Voting Statistics

	Number of meetings eligible to vote on	Total number of resolutions eligible to vote on	% of eligible resolutions voted on	% of resolutions voted with management	% of resolutions abstained from
12 months to 31/03/22	8,840	88,739	99.8%	78.7%	0.8%

Most significant vote(s) and examples of Engagement

Apple Inc.

- In March 2022, LGIM voted in favour of a proposal relating to diversity and inclusion policies as they consider these issues to be a material risk to companies.

Mitsubishi UFJ Financial Group, Inc.

- In June 2021, the shareholders put forward a proposal to amend the Articles to Disclose Plan Outlining the Company's Business Strategy in order to align Investments with Goals of the Paris Agreement.
- LGIM expects companies to be taking sufficient action on the key issue of climate change and so voted in favour of the proposal.
- While they positively note the company's recent announcements around net-zero targets and exclusion policies, they believe that these commitments could be further strengthened and believe the shareholder proposal provides a good directional push.

LGIM Cash Fund

No significant votes or examples were reported during the year.

TRIUMPH INTERNATIONAL PENSION SCHEME

Appendix 2 – ESG, Voting and Engagement Policies

Links to the voting and engagement policies for both Investment Manager and Underlying Investment Managers can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf
Leadenhall	https://www.leadenhallcp.com/esg
LGIM	https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf