

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 dated May 2022 can be found here <https://www.triumph.com/corporate/pension-scheme/>.

This Implementation Statement covers the Scheme year from 1 April 2022 to 31 March 2023. It sets out:

- How, including the extent to which, the Scheme's Statement of Investment Principles ("SIP") have been followed over the year;
- Details of any review of and/or changes made to the SIPs;
- How, including the extent to which, the Trustees' policies on exercising voting rights and engagement have been followed over the year; and
- The voting by or on behalf of the Trustees, including the most significant votes cast and any use of a proxy.

A new set of guidance ("the Guidance") from the Department for Work and Pensions ("DWP") has been issued with a series of statutory & non-statutory guidance. They aim to encourage the Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme's SIP. This Implementation Statement has been prepared to provide the details on how the Trustees of the Scheme, with the help of the Scheme's Fiduciary Manager, has complied with the new statutory guidance set by DWP.

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 receive 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 a professional Fiduciary Manager. The Trustees, with advice from their advisers, can appoint other investment managers to manage part of the Scheme's assets (these are referred to as "**Underlying Investment Managers**").

In September 2021, the Trustees took the opportunity to fully insure members' DB Section benefits with L&G thereby transferring 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 Legal and General Investment Management ("LGIM", the "DC Investment Manager"). 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, completed within the scheme year to 31 March 2023.

The Trustees believe that they have acted in accordance with and followed the policies set out in the Statement of Investment Principles over the Scheme year.

Summary of changes to the SIPs during the Scheme Year

The changes made reflected the decision, taken by the Trustees in September 2021, to fully insure members' DB Section benefits with L&G thereby transferring all investment risk away from the Sponsoring Employer.

Specific changes include adjustments made to the Defined Benefit (DB) Investment Objectives, DB Investment Strategy and DB Strategy Implementation to reflect the above. There was also a reduction of Section 12- 'Risks' to reflect that the scheme now has fewer risks due to the insurance of member's DB Section benefits with L&G and therefore fewer residual holdings within the DB Section.

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.

DB and DC Sections

Scheme Governance

The Trustees are responsible for the governance of the Scheme's assets. The Trustees consider that the governance structure set out in this SIP is appropriate for the Scheme as it allows the Trustees to make the important decisions on investment policy, while delegating the day-to-day aspects to the Investment Managers or the Advisers as appropriate.

The Trustees believe that they should be collectively involved in the investment decision-making and have therefore decided not to appoint an Investment Sub-Committee to deal with investment matters.

The Trustees will review this SIP at least every three years, or following any changes to the investment strategy, and modify it with consultation from the Advisers and the Sponsoring Employer if deemed appropriate. There will be no obligation to change this SIP, the Investment Managers or Adviser as part of such a review.

Investment governance

The Trustees are responsible for the investment of the Scheme assets. Where they are 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 Underlying Investment Managers appointed by the Fiduciary Manager.

For the DC section, the day-to-day investment of the assets has been delegated to 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 board of Trustees 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 to 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.

Monitoring

Over the year the Trustees have monitored the performance of the underlying managers within each section as appropriate.

For the DB section, 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. Monitoring was provided in a quarterly DB investment governance report, which was presented at each meeting of Trustees prior to the transfer of assets to an insurer in September 2021. Since the transfer of assets, the Trustees monitor, as appropriate, performance of the remaining underlying illiquid managers.

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

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.

The Trustees are clear about the importance of diversification, however this will be impacted by the order in which the remaining illiquid assets can be sold.

The Trustees have taken advice from the Advisers to ensure that the assets held by the Scheme and the proposed strategy is suitable given its liability profile, the Trustees' objectives, legislative requirements, regulatory guidance and specifications in the trust deed and rules governing the Scheme (the Trust Deed).

Implementation of investment strategy

The Trustees have delegated implementation of the investment strategy to SISL as the Fiduciary 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.

The Trustees employ the Fiduciary Manager to manage the DB assets of the Scheme. However, there are limited remaining investment assets and those that do remain are illiquid and are in the process of being sold down.

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.

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.

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

The Trustees use the Fiduciary Management service of SISL as their Investment Manager and Adviser (referred to as the Fiduciary Manager through this Implementation Statement). 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. Schroders also holds the following ESG-related accreditations:

- Signatory to the UK Stewardship code
- A+ rating for UN Principles for Responsible Investment
- A- rating for Carbon Disclosure Project
- Advanced ESG recognition from Morningstar
- Engagement Blueprint awarded ESG Engagement Initiative of the Year at Environmental Finance's Sustainable Investment Awards 2022
- Best Investor Engagement recognition from IR Society Best Practice Award for 2021

The Scheme invests in some assets with voting rights attached (e.g. equities) and with engagement possible in relation to most asset classes. Whilst the Trustees have delegated responsibility to the Fiduciary Manager and Underlying Managers for voting and engaging on their behalf, the Trustees regularly review the approach and stewardship policies of the Fiduciary Manager to ensure they are aligned with the Trustees' beliefs and objectives.

A copy of the Scheme's SIP has been provided to the Fiduciary Manager, and the Fiduciary Manager is expected to follow the Trustees' investment policies when providing Fiduciary Management services. However, given that the investments with the Underlying Investment Managers are generally made via pooled funds (where the Scheme's investments are pooled with those of other investors), the Fiduciary Manager does not have direct control over voting or engaging with the companies that issue the underlying securities. This process lies with the Underlying Investment Manager, who may have different engagement priorities than the Trustees. Therefore, the Trustees require the Fiduciary Manager to integrate stewardship activities such as voting and engagement, and Environmental, Social and Governance (ESG) factors including climate change, into the selection or monitoring of Underlying Investment Managers. The Trustees believe it is appropriate to delegate the decision of appointing and monitoring Underlying Investment Managers to the Fiduciary Manager, who will be able to influence the Underlying Investment Manager's

voting and engagement policies. Consequently, the Trustees can largely exercise their stewardship policy as set out in the Scheme's SIP.

The Trustees have aligned their stewardship priorities with the Fiduciary Managers' Engagement Blueprint (which sets out the six engagement themes the Scheme's Fiduciary Manager believes to be most financially material over the year to come), given the Trustees believe that these themes are issues material to the long-term value of the investments. These issues also reflect expectations and trends across a range of stakeholders, and by strengthening relationships with these stakeholders, business models become more sustainable, which ultimately should enhance the value added to the Scheme's investment, and hence benefit the Scheme's members and beneficiaries. Therefore, the Trustees believe that companies that address those issues, when they are material and relevant, will drive improved financial performance for the Scheme.

On behalf of the Trustees, the Fiduciary Manager carried out regular investment and operational due diligence on the Underlying Investment Managers to monitor voting and engagement policies concerning the Scheme's investments. Additionally, with the help of the Fiduciary Manager, the Trustees monitor the performance of the Underlying Investment Managers against the agreed performance objectives at Trustee meetings held during 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 managers within the DB Section with which to engage on ESG matters.

Given the activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the DWP Guidance over the Scheme Year.

Voting and Engagement Summary

DB Section

On behalf of the Trustees, the Fiduciary Manager exercises voting rights in relation to the pooled funds managed by the Underlying Investment Managers, in line with its voting policy.

Most voting rights and engagement regarding the Scheme's investments relate to underlying securities within these pooled funds. At a general meeting of a company, the Underlying Investment Managers exercise voting rights and engage with the company issuing the security in line with their policies, which the Fiduciary Manager may have influenced. Nonetheless, the pooled funds themselves often confer certain rights around voting or policies, which the Fiduciary Manager exercises on behalf of the Trustees, and we cover these here.

The Trustees have considered the voting statistics and behaviour set out in this Implementation Statement, along with engagement activity that took place on their behalf during the Scheme Year within the growth asset portfolio, and is pleased to report that the Fiduciary Manager and the Underlying Investment Managers have demonstrated high levels of voting and engagement in line with its stewardship policy.

Specifically, the Trustees noted that:

- The Fiduciary Manager has carried out a high level of engagement activities with the Underlying Investment Managers, and some good progress has been achieved such that many of the Underlying Investment Managers' ESG credentials have improved over the Scheme Year.
- Each 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 activity over the Scheme Year.
- As the Trustees have refined their stewardship priorities this year, they consider the most significant votes to be those that both relate to these priorities and are defined as significant by the Underlying Managers (of the most material holdings) based on their specific knowledge of the circumstances around each vote. The Trustees have communicated this with the Fiduciary Manager, and as per DWP guidance, all votes which meet this criteria have been reported below.

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 2023 is set out below:

- The general engagement theme over the Scheme year was on environmental issues, and climate strategy in particular.
- 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.

Appendix 1 – Voting & Engagement statistics

1. Voting and engagement by the Fiduciary Manager (SISL) 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 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

However, it is important to note that there has been limited voting and engagement over the scheme year for the reason that in September 2021 the Trustees took the opportunity to fully insure members' DB Section benefits with L&G. As such, there are limited remaining investment assets where voting or engagement is possible. Those assets that do remain are illiquid and are in the process of being sold down.

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 31/03/2023
Alternative	Leadenhall	6.1
Return Seeking Credit	Orchard Taiga Special Opportunities DAC - Series A	60.2
Cash	Cash	33.7

Orchard Taiga Special Opportunities Fund

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

DC Section

This statement of implementation has been completed over the year to 31 March 2023 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 2023 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 31/03/23	9,818	10,094	99.83%	77.55%	0.72%

Most significant vote(s) and examples of Engagement

Royal Dutch Shell Plc

- In May 2022, LGIM voted against a proposal to approve the Shell Energy Transition Progress Update.
- LGIM voted against this proposal due to concerns about disclosed plans for continued oil and gas production within the proposal.

Prologis Inc.

- In May 2022, LGIM voted against a proposal to combine the roles of Chair and CEO
- LGIM voted against this proposal as they believe that merging these two roles could have a negative impact on risk management and oversight. LGIM also expects a board to be regularly refreshed in order to maintain diversity.

LGIM Cash Fund

No significant votes or examples were reported during the year.

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