

Fujitsu Comparable Pension Scheme ("the Scheme")

Implementation Statement (excluding AVC Section)

Introduction

This Statement sets out how the Statement of Investment Principles ('SIP') for the Scheme excluding AVCs has been followed during the year to 31 March 2022. This Statement has been produced in accordance with the regulatory requirements in force and the guidance published by the Pensions Regulator.

The investment managers have been assessed according to policies set out in the SIP. **In summary, the Trustee believes that:**

- a) the policies outlined in the SIP have been adhered to over the Scheme year; and
- b) the investment managers are adhering to the Trustee's policies on ESG, engagement and voting.

Review of the SIP

During the year, the Trustee reviewed the SIP for the Scheme. Revisions were made to reflect the governance and reporting requirements relating to climate-related risks and the Task Force on Climate-Related Financial Disclosures ("TCFD").

Investment Objectives and Investment Strategy

The primary objective of the Scheme Trustee is to invest the Scheme's assets in the best interest of the members and beneficiaries.



The financial objective of the Scheme Trustee is to target an expected return that is sufficient to support the requirements of the Technical Provisions and the current Deficit Recovery Plan, and to adopt an investment strategy which is consistent with the financial objective.

The investment strategy is highly diversified across a range of asset classes, in both public and private markets and is implemented using a number of investment managers.

The investment strategy is kept under regular review and no changes to the investment objective were made over the year.

Sustainable Investment, ESG and Stewardship

The Trustee considers sustainable investment issues, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, and effective stewardship, in the context of a broad risk management framework. The Trustee believes that integrating sustainable investment into its processes and decision making should lead to better outcomes for Scheme members, including by helping to manage regulatory and reputational risks. The information below provides some key highlights:



All

Of the managers are signatories to the United Nations Principles of Responsible Investment

(as at May 2022)



9

Out of 12 managers are signatories to the UK Stewardship Code

(as at May 2022)



100%

of the managers are adhering to the Trustee's policies on ESG and engagement, as set out in the SIP

Implementation of the Statement of Investment Principles for year ending 31 March

The table below outlines the policies in the SIP and explains how these have been implemented for the year to 31 March 2022.

Sustainable Investment, ESG and Stewardship



Policy

The Scheme Trustee and the JIC consider sustainable investment issues, such as (but not limited to) those arising from Environmental, Social and Governance (ESG) considerations, including climate change, and effective stewardship, in the context of a broad risk management framework.

The Scheme Trustee and the JIC believe that integrating sustainable investment into its processes and decision making should lead to better outcomes for Scheme members, including by helping to manage regulatory and reputational risks.

The JIC's policy is that day-to-day decisions relating to the selection, retention and realisation of Scheme assets is left to the discretion of its investment managers. Furthermore, the JIC expects the investment managers to consider ESG issues and explores these issues with its managers to understand how they exercise these duties in practice and receive reports on how these issues are addressed.

When considering the appointment of new managers, and reviewing existing managers, the JIC, together with the IE, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.

Implementation

The evaluation of how the investment managers identify and manage material ESG risks including climate change, along with the quality of their stewardship activities, form part of the JIC's and the IE's ongoing appraisal of the manager's appointment. In addition, the JIC discuss ESG issues with the investment managers during their annual review meeting.

The IE provide an annual Stewardship & Engagement Report to the JIC with an assessment of the investment managers' ESG policies and how these have been implemented over the year and summarising the engagement and voting activity (where relevant) for each manager to be assessed by the JIC.

The Scheme has zero exposure to listed equities and as such no votes have been cast on behalf of the Scheme over the year. The engagement activities of the managers are summarised in the annual Stewardship & Engagement Report.



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