

# Fujitsu Comparable Pension Scheme

## Annual Implementation Statement for the AVC Sections

### Voting policy and behaviour

As all the AVC investments are held within pooled funds, the Trustee aims to select investment managers who are clearly demonstrating that they are using their voting power to institute change on those issues the Trustee believes are important. BlackRock are the main investment managers and their stewardship report can be accessed at the below links:

BlackRock: <https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2020.pdf>

BlackRock joined Climate Action 100+ in 2020, a group which engages with companies to improve climate disclosure and align business strategy with the goals of the Paris Agreement.

### Wider engagement

BlackRock's Investment Stewardship team is comprised of more than 45 professionals across the world (with team members in New York, San Francisco, London, Tokyo, Singapore, Hong Kong and Sydney), taking a local approach with companies while benefiting from global insights. This team engaged 3,030 times with 2,020 companies in the reporting period up to 30 September 2020.

BlackRock's Investment Stewardship 2020 priorities related to Board Quality, Environmental Risks and Opportunities, Corporate Strategy & Capital Allocation and Compensation that promotes long-termism.

### Voting information

The table below sets out the voting activities of BlackRock, Aviva and LGIM as the equity and multi-asset fund managers, including any votes cast on the Trustee's behalf and details on the Scheme's investment manager use of proxy voting and examples of votes cast that they deem to be significant. The voting covers the pooled equity and multi-asset funds available under the Scheme as at 31 March 2021.

Fund name	Voting activity	Example of one of the most significant votes cast during the period
BlackRock Emerging Markets Fund (which makes up part of the Blended Global Equity Fund)	Number of eligible votes: 23,180 Percentage of eligible votes cast: 96.77% Percentage of votes with management: 90.79% Percentage of votes against management: 9.21% Percentage of votes abstained from: 2.77%	Company: PGE Polska Grupa Energetyczna SA  Resolution: Approve Remuneration Policy  Decision: Voted against the resolution  Rationale for decision: BlackRock thought the remuneration policy contained insufficient details concerning incentives and performance-related elements such as performance conditions and targets, vesting and holding periods and participants.

Fund name	Voting activity	Example of one of the most significant votes cast during the period
BlackRock Currency Hedged MSCI World Index Fund (which makes up part of the Blended global equity fund)	<p>Number of eligible votes: 15,762</p> <p>Percentage of eligible votes cast: 90.67%</p> <p>Percentage of votes with management: 92.72%</p> <p>Percentage of votes against management: 7.28%</p> <p>Percentage of votes abstained from: 0.72%</p>	<p>Company: Royal Dutch Shell plc</p> <p>Resolution: Request Shell to Set and Publish Targets for Greenhouse Gas (GHG)</p> <p>Decision: Voted against the resolution</p> <p>Rationale for decision: BlackRock considered that Shell already had some of the most ambitious climate targets in the industry and makes strong TCFD disclosures. Shell had also agreed to review its targets on an ongoing basis.</p>
Fund name	Voting activity	Example of one of the most significant votes cast during the period
BlackRock UK Equity Index Fund	<p>Number of eligible votes: 11,058</p> <p>Percentage of eligible votes cast: 99.62%</p> <p>Percentage of votes with management: 93.20%</p> <p>Percentage of votes against management: 5.40%</p> <p>Percentage of votes abstained from: 1.40%</p>	<p>Company: Huntsworth plc</p> <p>Resolution: Approve Matters Relating to the Cash Acquisition of Huntsworth plc by CD&amp;R Artemis UK Bidco Limited</p> <p>Decision: Voted for the resolution</p> <p>Rationale for decision: BlackRock viewed the offer for the Company at £1.08 per share (a premium of approximately 50% to the closing price on 2 March 2020) represented compelling value.</p>
Fund name	Voting activity	Example of one of the most significant votes cast during the period
BlackRock 50:50 Global Equity Index Tracker Fund	<p>Number of eligible votes: 36,058</p> <p>Percentage of eligible votes cast: 95.23%</p> <p>Percentage of votes with management: 74.00%</p> <p>Percentage of votes against management: 24.00%</p> <p>Percentage of votes abstained from: 2.00%</p>	<p>Company: Barclays plc</p> <p>Resolution: Approve Barclays' Commitment in Tackling Climate Change</p> <p>Decision: Voted for the resolution</p> <p>Rationale for decision: BlackRock supported this resolution as it sets out an ambition or Barclays to become a net zero bank by 2050 and directs the Company to set a strategy, with targets, to transition its provision of financial services across all sectors to align with the goals and timelines of the Paris Agreement.</p>

Fund name	Voting activity	Example of one of the most significant votes cast during the period
Aviva Stewardship Fund	<p>Number of eligible votes: 895</p> <p>Percentage of eligible votes cast: 99.55%</p> <p>Percentage of votes with management: 98.4%</p> <p>Percentage of votes against management: 1.60%</p> <p>Percentage of votes abstained from: 0.6%</p>	<p>Company: Prudential plc</p> <p>Resolution: Re-elect Paul Manduca as Director</p> <p>Decision: 'Exceptionally' supported the resolution</p> <p>Rationale for decision: Aviva confirmed that under normal circumstances they would have voted against the nomination committee chair to reflect their concerns over the lack of women on the Board (i.e. less than a third). However, they exceptionally supported this re-election in recognition that the Board has doubled the number of women on the board since its last AGM. Aviva were also mindful of the fact that Paul Manduca would step down from the Board on 31 December 2020 (if not before) and will be replaced by Shriti Vadera, one of the recent female appointments.</p>
Fund name	Voting activity	Example of one of the most significant votes cast during the period
LGIM Diversified Fund	<p>Number of eligible votes: 115,604</p> <p>Percentage of eligible votes cast: 98.98%</p> <p>Percentage of votes with management: 81.72%</p> <p>Percentage of votes against management: 17.71%</p> <p>Percentage of votes abstained from: 0.56%</p>	<p>Company: The Procter &amp; Gamble Company (P&amp;G)</p> <p>Resolution: Resolution to report on effort to eliminate deforestation</p> <p>Decision: Voted for the resolution</p> <p>Rationale for decision: P&amp;G uses both forest pulp and palm oil as raw materials within its household goods products, which are both considered leading drivers of deforestation and forest degradation. Although P&amp;G has introduced a number of objectives and targets to ensure their business does not impact deforestation, LGIM did not feel the Company was doing as much as it could in this area.</p>

Fund name	Voting activity	Example of one of the most significant votes cast during the period
Aviva Managed Fund	<p>Number of eligible votes: 487</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 95.26%</p> <p>Percentage of votes against management: 4.74%</p> <p>Percentage of votes abstained from: 0.41%</p>	<p>Company: Skandinaviska Enskilda Banken AB</p> <p>Resolution: Resolution stating The Bank Immediately shall Work for the Exclusion of Fossil Companies as Borrowers in the Bank</p> <p>Decision: Voted against the resolution</p> <p>Rationale for decision: This resolution makes no distinction between different types of fossil fuels and activities, their respective transition pathways and level of financing compatible with a net zero or 1.5 degree World. It would also undermine the efforts of those fossil fuel companies that are taking concrete steps to transition to a more sustainable business model.</p>