

Fujitsu Technology Solutions International Limited Pension Plan

Statement of Investment Principles

Introduction

This is the Statement of Investment Principles made by the Trustee Directors (the “Trustees”) of FRS Pension Trustee Company Limited, Trustees of the Fujitsu Technology Solutions International Limited Pension Plan (“the Plan”) in accordance with the Pensions Acts 1995 and 2004 (as amended). It is subject to periodic review by the Trustees at least every three years and without delay after any significant change in the Plan’s investment policy.

In preparing this Statement, the Trustees have consulted with the principal employer to the Plan and have taken and considered written advice from the Investment Practice of Hymans Robertson LLP. The Plan comprises only a Defined Benefits section which is closed to new members and future accruals.

The Trustees are supportive of the UK Stewardship Code (“the Code”) which seeks to improve the quality of engagement between institutional investors and investee companies. Where appropriate, the Trustees expect investment managers to comply with the Code and to produce a statement of their commitment to the Code.

For and on behalf of the Trustees of the Fujitsu Technology Solutions International Limited Pension Plan

Plan objective

The primary objective of the Plan is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis. The Trustees' over-riding funding principles for the Plan, pending buy-out and wind-up, are to ensure that there are always sufficient assets in the Plan (at their realisable value) to meet 100% of benefits as they fall due for payment to members.

The value of liabilities is calculated on the basis agreed by the Trustees and the Plan Actuary; the Trustees also consider the Plan's funding position on a more stringent minimum risk basis. These funding positions are monitored regularly by the Trustees and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

The Statement of Funding Principles, which is agreed between the Trustees and the principal employer, sets out in more detail the Trustees' policy for securing its funding objective.

Buy-in policies

The Plan's investments comprise Buy-in policies with Just Group and Canada Life Limited and a holding in a cash fund managed by Legal & General Investment Management Limited ("L&G").

In March 2025, the Trustee entered into a second insurance policy with Canada Life which covers the benefits of the members of the Plan. The Plan closed to new members in February 1998, and as at 31 March 2025 there were no remaining active members. All of the Plan's assets (with the exception of residual cash in the L&G cash fund) were transferred to Canada Life as an insurance premium at the time. The Trustee used their policies and beliefs when selecting Canada Life as the Plan's buy-in provider. The Trustee's policies and beliefs haven't changed materially, and have been shared with Canada Life.

Under the policies, Just Group and Canada Life make monthly payments to the Plan to match the insured liabilities and cover benefit payments to members. Just Group and Canada Life cover the longevity risks of members as well as the investment risks of the assets under the Policy. In entering these policies, the Trustees received written advice as necessary from their professional advisers. Just Group and Canada Life are regulated by the Financial Conduct Authority. The Trustees carried out extensive due diligence assessment on Just Group and Canada Life noting the regulatory environment in which the insurer must operate.

Suitability

The Trustees have taken advice from the Plan's risk transfer advisers and Plan actuary who have confirmed appropriate knowledge and experience of the management of, and investment of, trust-based schemes, to ensure that the policies are suitable.

The Plan has three Buy-in policies, with Just Group and Canada Life Limited. These providers were selected following a detailed selection process.

Investment Strategy

All of the Plan's assets, with the exception of the cash fund held by L&G, now consist of the insurance policies, where the liabilities of the Plan are secured by these matching assets.

Choosing investments

The Trustees have appointed the insurance providers Just Group and Canada Life to manage the Policies which secures the Plan's liabilities. Just Group and Canada Life are responsible for the management of the assets backing the Policies and ensuring that sufficient funds are available to meet its obligations to the Plan.

Kinds of investments to be held

In addition to the Buy-In policies, the Plan may invest in quoted and unquoted securities of UK and overseas markets including equities, credit, fixed interest and index linked bonds, cash, property, commodities, infrastructure, hedge funds, currency and structured products, either directly or through pooled funds, as well as insurance policies such as the Just Group and Canada Life buy-in policies.

The Plan may also make use of contracts of insurance, derivatives (including Swaps) and contracts for difference (either directly or in pooled funds investing in these products) for the purpose of efficient portfolio management or to hedge specific risks. The Trustees may consider any or all of these classes of investment to be suitable depending on the circumstances of the Plan.

Balance between different kinds of investments

The majority of the Plan's assets (with the exception of the L&G cash fund) are now held in the Insurance Policies, which cover the Plan's expected liabilities in full.

Risk

The Trustees have purchased Policies which secure the Plan's liabilities in full. All members covered by the Policies continue to be members of the Plan, and the Trustees continue to have ultimate responsibility for the payment of benefits to these members. The Trustees recognise that the purchase of the Policies introduced some concentration and illiquidity risk (as the Policies cannot be readily sold).

The Policies expose the Plan to a degree of insurance provider risk, i.e. the risk that Just Group or Canada Life fail to meet their obligations to the Plan and its members. The Trustees expect the insurance provider risk to be addressed through the supervisory regime applicable to insurance companies within the UK. The Trustees monitor the monthly payments of benefits from the insurer to the Plan. The Trustees have mitigated systemic risk through the purchase of the Policies, but it is not possible to make specific provision for all possible eventualities that may arise under this heading

Asset risks

The Trustees recognise that purchase of the Policies introduced some concentration and illiquidity risk (as the Policies cannot be sold). However, given the contractual and regulatory protection associated with the Policies, the Trustees are comfortable that on balance, and having taken appropriate advice, this is a suitable investment for the Plan.

Realisation of investments

The insurance contracts with Just Group and Canada Life are illiquid. This is recognised by the Trustees and they are not expected to be sold in the future. They are matched to the payment of specific pensioner benefit payments.

A small proportion of the Plan's assets are invested in a pooled cash fund managed by L&G. This fund can be realised quickly if required.

Consideration of financially material factors in investment arrangements

The Plan's Policies with Just Group and Canada Life have not been structured with expected return in mind, but instead aim to match the Plan's benefit obligations. However, as part of the broader formal insurer selection process, the Trustee has considered Just Group and Canada Life's approach to integrating Environmental, Social and Governance (ESG) considerations, in addition to other factors such as financial strength, administration capabilities, and market experience.

The Trustees used their policies and beliefs, including those in relation to ESG considerations, when selecting Just Group and Canada Life's as the Plan's buy-in providers. The Trustee's policies and beliefs haven't changed materially and have been shared with Just Group and Canada Life.

Stewardship

Although Just Group and Canada Life are solely responsible for management of the assets backing the Plan's insurance policy (including any engagement with the underlying investee companies and issuers), the Trustee will periodically discuss with the insurer its approach to stewardship, including voting and engagement activity as relevant.