

Implementation Statement

Varian Limited Pension and Life Assurance Plan

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Varian Limited Pension and Life Assurance Plan ("the Plan")** to set out the following information over the year to **30 September 2024**:



how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
the voting activity undertaken by the Plan's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;

Throughout this statement the Plan's holdings with BlackRock and Schroders have been excluded as they were disinvested during the first half of the period. The Implementation Statement covers the Plan's holdings with Legal & General Investment Management ("LGIM") as at 30 September 2024.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.



Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles ("SIP") have been effectively implemented. The Plan's investment manager has demonstrated transparency in their voting and engagement activities, and the Trustees believe that these activities reasonably align with the with the stewardship priorities of the Plan.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustee's SIP in force at 30 September 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in July 2024 and has been made available online here: [Statement of Investment Principles](#)

The following changes were made to the stewardship policy over the year:

- The Trustees will engage with their investment manager for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.
- The Trustees have reviewed the 2024 Stewardship Priorities set by LGIM and have decided to align these with the stewardship priorities for the Plan.
- In addition, the Trustees expect their relevant investment manager will be able to evidence their stewardship activity in this area which the Trustees will monitor annually.

The Trustees have reviewed the 2024 Stewardship Priorities set by LGIM and have decided to align these with the stewardship priorities for the Plan. The priorities are:

- People;
- Nature;
- Health;
- Technology;
- Governance;
- Climate.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Plan's investment managers, the Trustees believes that its policies on voting and engagement have been met in the following ways:

- The Plan invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Plan's fund managers.
- The Trustees undertook their most recent review of the stewardship and engagement activities of the current managers as part of the SIP update in August 2024, and were satisfied that their policies were reasonable and no remedial action was required at that time.
- The Trustees receive and review voting information and engagement policies provided by LGIM, and our investment advisers as necessary, on an annual basis as part of the preparation of this Implementation Statement. The voting and engagement information will be reviewed alongside preparation of the Implementation Statement to ensure it aligns with the Plan's policies.
- As part of ongoing monitoring of the Plan's investment managers, the Trustees use sustainability ratings information available within the pensions industry or provided by its investment consultant, to assess how the Plan's investment managers take account of ESG issues.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund manager is in alignment with the Plan's stewardship policies.

**Prepared by the Trustees of the Varian Limited Pension and Life Assurance Plan
30 September 2024**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Growth Portfolio on behalf of the Trustees over the year to **30 September 2024**. The **LDI and Corporate Bonds** with **LGIM** have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate.

Manager	LGIM
Fund name	Future World Global Equity Index Fund
Structure	Unit linked insurance contracts
No. of eligible meetings	5,424
No. of eligible votes	55,162
% of resolutions voted	99.8
% of resolutions abstained	0.6%
% of resolutions voted with management¹	80.6
% of resolutions voted against management Error! Bookmark not defined.	18.8
Proxy voting advisor employed Error! Bookmark not defined.	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 we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. For more details, please refer to the Voting Policies section of this document.
% of resolutions voted against proxy voter recommendation	10.1

¹ As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.

Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.



Significant votes

LGIM have provided a selection of 833 votes which they believe to be significant for within the Future World Global Equity Index. The Trustees selected the 3 votes of which the Plan has the highest exposure to these companies, and which relate to the stewardship priorities of the Plan.

A summary of the significant votes provided is set out below.

Significant vote 1 – LGIM Future World Global Equity Index Fund

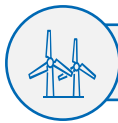
Company name	Mircosoft Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.5%
Summary of the resolution	Resolution 1.06 - Elect Director Satya Nadella
How the manager voted	Against
Rationale for the voting decision	A vote against is warranted as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.
Outcome of the vote	Not provided.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics
Relevant stewardship priority	Governance

Significant vote 2 – LGIM Future World Global Equity Index Fund

Company name	Apple Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	4.5%
Summary of the resolution	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy
How the manager voted	Against
Rationale for the voting decision	A vote against this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.
Criteria on which the vote is considered "significant"	LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.
Outcome of the vote	The resolution failed to pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics
Relevant stewardship priority	People

Significant vote 3 – LGIM Future World Global Equity Index Fund

Company name	Amazon.com Inc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.8%
Summary of the resolution	Report on Customer Due Diligence
How the manager voted	For
Rationale for the voting decision	LGIM believe that banks and financial institutions have a significant role to play in shifting financing away from fossil fuels to funding the transition to a green society. LGIM expects the company to be undertaking appropriate analysis and reporting on climate change matters, as LGIM consider this issue to be a material risk to companies.
Criteria on which the vote is considered "significant"	A vote in favour is warranted as enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. While the company has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.
Outcome of the vote	Not provided
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Not applicable
Relevant stewardship priority	People



Engagement

The investment manager may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by LGIM during the year for the relevant funds.

Engagement activities are limited for the Plan's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	LGIM	LGIM	LGIM
Fund name	LGIM Future World Global Equity Index Fund	Buy and Maintain Credit Fund	Absolute Return Bond Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	2,168	412	416
Number of entities engaged on behalf of the holdings in this fund in the year	1,319	187	209
Number of engagements undertaken at a firm level in the year		4,193	



Examples of engagement activity undertaken over the year to 30 September 2024

LGIM, LGIM Future World Global Equity Index Fund

People and Health

During Q3 of 2024, LGIM started a human rights letter campaign to communicate the expectations and to seek companies own view and more information about their approach to the risks of violating human rights. The campaign is focussed on the high-risk sectors outlined in our human rights policy, namely: utilities, energy, mining and minerals, apparel and textiles, technology and automotives. The range of around 400 companies captured is:

- Global: over 40 countries across both developed and emerging markets (the top five countries being the US, China, Canada, India and Japan)
- Mid-large cap, by geography and sector

A letter was drafted for each sector, addressed to the chair of the company, sharing why they believe human rights are fundamentally important within that sector, along with their human rights expectations (as set out in their human rights policy). Additionally, they have asked companies to provide information and feedback about their human rights practices through a questionnaire. Based on the collected results in the questionnaires, they plan to conduct further one-on-one, direct engagements. They will also plan to publish their findings and observations. Further, based on the feedback, they will look into further updating their human rights policy with detailed expectations on a number salient human rights topics that they identified that are material to LGIM.