

Engagement Policy Implementation Statement (“EPIS”)

Abbott Laboratories Pension Fund (1966) (the “Fund”)

Fund Year End – 31 March 2025

The purpose of the EPIS is for us, the Trustee of the Abbott Laboratories Pension Fund (1966), to explain what we have done during the year ending 31 March 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Fund’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Fund’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We note that, since last year, some investment managers have made progress in their reporting of engagement activities, notably Arrowstreet who provided firm-level engagement details. However, some investment managers have still not provided us with complete information to allow us to review the voting and engagement activity carried out on our behalf. We have set out in our engagement action plan how we plan to address these shortcomings, including through the involvement of our investment adviser.

How voting and engagement policies have been followed

The Fund is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Fund's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Fund year and in our view, most of the investment managers were able to disclose adequate evidence of voting and engagement activity. More information on the stewardship activity carried out by the Fund's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Fund's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("AIL"). In particular we received quarterly Environmental, Social and Governance ("ESG") ratings from AIL for the funds the Fund is invested in where available and we also received information regarding any areas of concern or where action is required.

The Fund's stewardship policy can be found in the SIP: [Statement of Investment Principles.pdf \(abbottpensionfund.co.uk\)](#)

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. Dodge & Cox did not provide any examples of their "most significant" voting activities, nor did they provide information on their engagement activities. Additionally, Arrowstreet did not provide any fund-level engagement examples. Our investment adviser, AIL, will continue to engage with both managers to express the Trustee's expectations around the reporting of voting and engagement activity, and encourage them to make progress as their current practice is behind peers.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Fund's investments is an important factor in deciding whether a manager remains the right choice for the Fund.

Voting rights are attached to listed equity shares. We expect the Fund's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Fund's funds with voting rights for the year to 31 March 2025. We have queried the lower, relative to other appointed managers, % of resolutions voted on by Arrowstreet and are comfortable with the numerous factors responsible for the lower proportion.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Arrowstreet Capital - Global Equity Fund	8,945	93.6%	6.5%	1.0%
Baillie Gifford - Long Term Global Growth Fund	465	100.0%	4.1%	0.9%
Dodge & Cox - Global Equity Fund	1,422	100.0%	5.2%	0.1%

Source: Investment Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Fund's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
Arrowstreet Capital	We engage a third-party service provider, Institutional Shareholder Services ("ISS"), to provide proxy-voting services for client accounts (including Arrowstreet Sponsored Funds), including vote analysis, execution, reporting and certain recordkeeping services. ISS maintains a set of proxy voting guidelines that describe in greater detail how it generally votes specific proxy matters for the firm's clients
Baillie Gifford	Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

proxy voting providers' policies. We also have specialist proxy advisers in the Chinese and Indian markets to provide us with more nuanced market specific information.

Dodge & Cox

Dodge & Cox uses Institutional Shareholder Services (ISS) as their proxy administrator. Dodge & Cox votes in line with Dodge & Cox Proxy Voting Policies and Procedures. Dodge & Cox manually votes all proxies.

Source: Investment Managers.

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Fund's investment managers to provide a selection of what they consider to be the most significant votes in relation to the mandates managed. A sample of these significant votes can be found in the appendix.

We note that neither Dodge & Cox nor Arrowstreet have an internal policy for determining whether a vote should be classes as significant, and so Dodge & Cox have not provided an example of a significant vote, whilst Arrowstreet have provided an example vote but confirmed they are not stating this is classed as significant.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Fund's material managers – note we have excluded Lothbury given the small value of the investment held and that the fund is in the process of being liquidated and so engagement details have not been provided by the manager for a number of periods. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Fund.

Funds	Number of engagements		Themes engaged on at a fund/ firm level
	Fund level	Firm level	
Arrowstreet Capital - Global Equity Fund*	Not provided	159	Environment - Water Quality; Water Security Social - Human and Labour Rights; Community Relations Governance - Business Ethics
Baillie Gifford - Long Term Global Growth Fund	54	948	Environment - Climate Change Governance - Shareholder Rights; Remuneration; Strategy, Financial & Rep; Board effectiveness - Other
Dodge & Cox - Global Equity Fund	<i>Dodge & Cox does not currently provide this information. The manager engages with companies on ESG issues on an ad hoc basis where it deems it to be financially material and relevant to its investment thesis.</i>		
M&G Investments - Alpha Opportunities Fund	8	406	Environment - Climate Change, Net Zero/Decarbonisation Social - Diversity & Inclusion Governance - Executive Remuneration

Source: Investment Managers.

*Arrowstreet did not provide fund level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Dodge & Cox did not provide any significant voting examples as the manager does not currently have a process for determining most significant votes.
- Arrowstreet did provide voting examples but stated that they are not considered as significant.
- Dodge & Cox did not provide any engagement information. Arrowstreet did not provide any fund level engagement information requested but did provide engagement information from Sustainalytics upon which it relies for conducting engagement on an incident- and compliance-based system at a firm level.

This report does not include commentary on the Fund's investment in gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Fund's assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below is a significant vote example provided by Baillie Gifford. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the example below, in the managers' own words.

For Arrowstreet, given it does not have a formal process in place for determining a significant vote, the manager has provided an example of a vote that was against management.

Baillie Gifford - Global Growth	Company name	NVIDIA Corporation
	Date of vote	26 June 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	8.6
	Summary of the resolution	Shareholder Resolution - Governance
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	We supported the shareholder resolution on simple majority voting. We believe that supermajority voting requirements can lead to entrenchment and make it difficult to implement positive corporate government reforms.
	Outcome of the vote	Pass
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We note that the board did not recommend voting against this shareholder resolution, suggesting an openness to considering changes to relevant bylaws in the future. We plan on outlining our rationale for supporting this shareholder resolution when we next engage with the company.
	On which criteria have you assessed this vote to be most significant?	This resolution is significant because it was submitted by shareholders and received greater than 20 per cent support.
Arrowstreet Capital - Global Equity Fund¹	Company name	CVC Brasil Operadora e Agencia de Viagens SA
	Date of vote	8 January 2025
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.5
	Summary of the resolution	Approve Stock Option Plan
	How you voted?	Against
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	<i>Not provided</i>
	Rationale for the voting decision	A vote AGAINST this request is warranted because the proposed plan does not appear to adequately align the interests of its beneficiaries and those of the shareholders.
	Outcome of the vote Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	<i>Not provided</i>

On which criteria have you assessed this vote to be most significant?

The manager does not consider this vote to be significant.

Source: Investment Managers.

¹Arrowstreet has provided a voting example but stated it does not consider it to be significant.