

Implementation Statement

Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustees' fiduciary duty.

Statement of Investment Principles (SIP)

The SIP can be found online at the web address:

<https://www.gla.ac.uk/myglasgow/payandpensions/pensions/universityofglasgowpensionscheme/>

The SIP in the above link was updated in August 2023. A subsequent SIP was agreed with the Trustees the post reporting period at the May 2025 ISC meeting, and signed in July 2025.

Implementation Report

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP. This report details:

- actions the Trustees have taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustees have followed policies on engagement, covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies they invest
- voting behaviour covering the reporting year up to 31 March 2025 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme's reporting year

- Following discussions at the May 2024 ISC meeting, the ISC agreed to split the ABS allocation by switching half of the Insight Liquid ABS holdings to the Global ABS fund in order to target the higher yield on the Global ABS fund. Insight completed the transition on 17 May 2024, with c. £21.6m transferred from the Insight Liquid ABS Fund to the Insight Global ABS Fund.
- Following advice from the Scheme's investment consultant, the ISC agreed to disinvest its full allocation from the BlackRock UK Long Lease Property Fund in December. The ISC expects to receive the proceeds in due course.
- At the February ISC meeting, Isio proposed an allocation to a newly launched ABS fund managed by PGIM. The recommendation was based on the potential to diversify the existing ABS holdings, which were concentrated in UK and Europe. Following a manager selection exercise, the ISC agreed to an initial £5m investment in the PGIM ABS Fund.

Implementation Statement

This report demonstrates that the University of Glasgow Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions

Risk/ Policy	Definition	Policy	Actions over reporting period
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 70% (on a flat gilts basis) of the total liabilities movements caused by changes to interest and inflation rates.	<p>The hedge remained unchanged over the reporting period.</p> <p>As part of the strategy review being carried out in H2 2025, the overall hedging level will be reviewed.</p> <p>The liability hedging benchmark will also be reset with revised data from the April 2025 Actuarial Valuation.</p>
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	The Trustees regularly monitor the collateral and liquidity position to reduce the impact of this risk via a specific quarterly report provided by the investment consultant.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	<p>The Scheme undertook strategy changes over the 12 months to 31 March 2025, which are outlined on the previous page.</p> <p>The long term evolution of the strategy is due to be reviewed in conjunction with the 2025 Actuarial Valuation.</p>
Credit	Default on payments due as part of a financial security contract.	<p>To diversify this risk by investing in a range of credit markets across different geographies and sectors.</p> <p>To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.</p>	The allocation to credit assets remains diversified in terms of number of managers and credit sub-asset classes.

Risk/ Policy	Definition	Policy	Actions over reporting period
Environmental, Social and Governance (ESG)	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	Please see Appendix 3 of the Scheme's SIP for the policy relating to managing Environmental, Social and Governance considerations.	The Trustees undertook an ESG session covering beliefs and investment manager ratings at the May 2024 ISC meeting.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Hedge all currency risk on all assets that deliver a return through contractual income.	No additional action or change over reporting period.
Non-financial	The views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Scheme in the selection, retention and realisation of investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments unless specifically requested as part of the evaluation criteria when selecting managers. However, the Trustees may take specific non-financial matters into consideration if they represent the view of a majority of Scheme members.	No additional action or change over reporting period.

Changes to the SIP

Policies added to the SIP over reporting period
Date updated: May 2025
There were no new policies added to the SIP, nor changes made to existing policies, over the reporting period. The SIP was updated post-reporting period, in July 2025, for the strategic changes outlined above in the "Summary of key actions undertaken over the Scheme's reporting year" section.

Implementing the current ESG policy and approach

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. The rest of this statement details the Trustees' view of the managers, our actions for engagement and an evaluation of the engagement activity.

ESG summary and engagement with the investment managers

Manager and Fund	ESG Summary	Actions identified	Engagement details
BlackRock Dynamic Diversified Growth Fund	<p>BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They also collaborate with initiatives and institutions on ESG risks.</p> <p>The Fund has no explicit ESG objectives though informally looks to deliver an aggregate score better than an ESG comparator. It utilises an ESG scorecard and tools such as Aladdin, MSCI, and Sustainalytics to identify ESG Risks.</p>	<p>BlackRock should introduce formal firm-level stewardship objectives within their ESG policy.</p> <p>Commit to a Net Zero target, with meaningful interim targets.</p> <p>Reconsider position in relation to CA100+ and NZAMI membership.</p> <p>Provide details and outcomes of its engagement activities within the engagement data provided.</p> <p>Provide examples of ESG risks being captured in due diligence.</p> <p>Include ESG metrics as part of regular reporting at the Fund level</p>	<p>Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.</p>
BlackRock UK Long Lease Property Fund	<p>BlackRock have set explicit stewardship priorities on which to engage with investee companies, overseen by a central team. They also collaborate with initiatives and institutions on ESG risks.</p> <p>The Fund reports Scope 3 greenhouse gas emissions. Due to the nature of the asset class, the Fund has a limited level of control to</p>	<p>Introduce firm-level stewardship objectives and formal approach within the firmwide ESG policy.</p> <p>Commit to a Net Zero target, with meaningful interim targets.</p> <p>Reconsider position in relation to CA100+ and NZAMI membership.</p> <p>Provide evidence of detailed ESG metrics within their regular reporting cycle.</p>	<p>Isio engaged with BlackRock on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on BlackRock engagements.</p>

	<p>implement some ESG practices.</p>	<p>Implement quantifiable ESG targets.</p> <p>Produce an ESG scorecard (in line with best practice).</p>	
JP Morgan – Unconstrained Bond Fund	<p>JP Morgan have a robust approach to stewardship and have comprehensive reporting. The self-standing ESG team continuously review the Sustainable Investment Statement.</p> <p>The Fund has no specific ESG objectives and has limited portfolio exclusions. ESG reports are not currently produced as coverage is not high enough, though limited TCFD metrics are available.</p>	<p>The firm-level Net Zero target should be expanded to capture all assets under management.</p> <p>Consider making the online ESG training platform for employees mandatory.</p> <p>Implement fund-level ESG targets and develop exclusions policy.</p> <p>Carry out an annual review of the ESG scorecard / risk framework.</p> <p>Improve data coverage to all ESG reporting to recommence.</p>	<p>Isio engaged with JPM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on JPM engagements.</p>
Partners Group – Direct Lending (PMCS 2016, 2018 & 2020)	<p>Partners Group have a well-resourced central SI team and a structured training program. They also have a strong net zero commitments, including pathway to net zero by 2030 on all corporate activities and 2050 across all portfolios.</p> <p>At a fund level, Partners Group maintain a robust investment approach aligned with industry recognised guidance, e.g. UNGC principles. An ESG scorecard is used during initial due diligence to assess each asset's ESG risk.</p>	<p>Implement firm-level ESG objectives with a quantifiable target to enhance ESG policy.</p> <p>Establish nature and biodiversity-related stewardship priorities.</p> <p>Become a signatory to the Net Zero Asset Manager's Initiative (NZAMI).</p> <p>Begin regular reporting on fund-level temperature pathway alignment and emissions data.</p> <p>Engage with a significant number of the underlying issuers and improve the reporting of these engagements.</p>	<p>Isio engaged with Partners Group on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the Partners Group engagements.</p>

IFM Global Infrastructure Fund	<p>IFM has a firm-wide Net Zero Commitment with interim targets. The firm has a dedicated ESG team for various strategies, and a stewardship team which covers climate, social, and biodiversity.</p> <p>Sustainable investment factors are incorporated into the due diligence on new investments.</p> <p>IFM ensures each asset has a net zero transition and an emissions reduction pathway in place.</p>	<p>Set up a stewardship policy with climate and social factors as explicit priorities.</p> <p>Set up a stewardship policy with climate and social factors as explicit priorities.</p> <p>Obtain a UNPRI score across Strategy & Governance and Infrastructure Equity.</p> <p>Review its ESG scorecard on an annual basis.</p> <p>Provide social and nature-based metrics as part of regular reporting</p>	<p>Isio engaged with IFM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the IFM engagements.</p>
Insight Liability Driven Investment ("LDI")	<p>Insight have a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Robust approaches to stewardship and collaboration, including approach to escalation are also in place.</p> <p>Insight have a firm-wide ESG policy and integrate ESG factors for counterparty evaluation in their LDI funds, however, there are no specific fund-level ESG objectives for the LDI funds.</p>	<p>Consider incorporating ESG objectives and priorities as part of ESG/RI policy.</p> <p>Further expand connections with academic institutions to develop risk management frameworks.</p> <p>Consider reporting ESG scores and/or metrics for counterparties within the pooled funds or segregated mandates.</p>	<p>Isio engaged with Insight on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.</p>
Insight Asset Backed Securities ("ABS")	<p>Insight have a strong net zero commitment by 2050, including interim targets, in line with NZAMI. Robust approaches to stewardship and collaboration, including approach to escalation are also in place.</p> <p>In-line with peers, reporting is a laggard</p>	<p>Incorporate ESG objectives and priorities as part of ESG/RI policy.</p> <p>Further expand connections with academic institutions to develop risk management frameworks.</p> <p>Develop an approach to estimate carbon</p>	<p>Isio engaged with Insight on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on Insight engagements.</p>

	<p>due to data quality limitations in the ABS market. Insight's process identifies ESG opportunities beyond just managing ESG risks.</p>	<p>footprint in reporting (Scope 1 & 2 emissions).</p> <p>Establish a formal exclusion of thermal coal and tar/oil sands.</p>	
PGIM Global Unsecured Fund	<p>Firm-level policies in place but no net zero commitment. PGIM have an experienced, dedicated ESG research team. They are a signatory of 10 industry initiatives including UNPRI.</p> <p>The fund has no specific ESG objectives but some basic exclusions. It focusses on managing ESG risks rather than seeking opportunities. There is a lack of engagement priorities and examples which is a notable weakness</p>	<p>Establish explicit environmental, social and climate stewardship priorities</p> <p>Introduce a formal ESG training programme for credit analysts and portfolio managers</p> <p>Set fund-level ESG objectives</p> <p>Annually review and update ESG scorecard to reflect best practice</p> <p>Improve examples of meaningful engagement with issuers</p> <p>Expand reporting of relevant ESG metrics</p>	<p>Isio engaged with PGIM on the Trustees' behalf to review their ESG policies and set actions and priorities. Isio regularly reports back to the ISC with updates on the PGIM engagements.</p>

Engagement

As the Scheme invests via fund managers the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 31 March 2025.

Fund name	Engagement summary	Commentary
BlackRock Dynamic Diversified Growth Fund	<p>Total Engagements: 427</p> <p>Environmental: 151</p> <p>Social: 149</p> <p>Governance: 406</p> <p>One engagement can comprise of more than one topic across each company</p>	<p>BlackRock engage with their companies through their Investment Stewardship team in order to provide feedback and inform their voting decisions.</p> <p>An example of a significant engagement includes:</p> <p>Tesla, Inc – BlackRock have regularly engaged with Tesla's board and management over recent years regarding their governance structure, board independence and compensation practices. Tesla has taken steps to enhance its policies and disclosures in a number of areas. During engagement, a derivative lawsuit invalidating CEO Elon Musk's \$55.8 billion compensation package was passed. The board subsequently formed a Special Committee in February 2024 to evaluate the topic of reincorporation.</p>
BlackRock UK Long Lease Property Fund	<p>BlackRock currently do not provide details of their engagement activities due to the nature of the Fund. Isio will work with BlackRock on the development of the firm's engagement reporting.</p>	<p>BlackRock's ESG related engagement is led by the BlackRock Investment Stewardship (BIS) team. BlackRock lease on full repairing and insuring ("FRI") terms, which means that whilst a tenant is in a property BlackRock has little control over that property, therefore engagement opportunities are scarce.</p>
JP Morgan Unconstrained Bond Fund	<p>Total Engagements: 138</p> <p>Environmental: 75</p> <p>Social: 63</p> <p>Governance: 76</p> <p>One engagement can comprise of more than one topic across each company</p>	<p>JP Morgan's engagement activities are formed as part of their Stewardship model, in which investment professionals liaise with Stewardship specialists on a global scale. The engagements included within their report span beyond fixed income, given the scale of the strategy's holdings and global dialogue with investee companies.</p> <p>An example of a significant engagement includes:</p> <p>AXA – JP Morgan engaged with AXA to discuss their approach to managing the physical impacts of climate change on their underwriting processes. During the meeting, AXA highlighted</p>

		<p>the regulatory scrutiny on their models and the de-risking process that they have undergone over the past five years, which has significantly reduced their exposure to natural catastrophes. The discussion also covered AXA's reluctance to comment on policy interventions and their commitment to sustainable underwriting practices, including their Science-Based Targets initiative. During engagement, AXA stated they are working on improving their scope 3 emissions reporting and confirmed restrictive policies on coal, oil, and gas underwriting.</p>
Partners Group Private Market Credit Strategies 2016 Fund	During the reporting period, the Fund did not undertake any ESG-related engagements, which is consistent with its current phase of winding down operations.	<p>Partners Group maintains ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks.</p> <p>Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations.</p> <p>Partners Group were not able to provide ESG engagement examples.</p>
Partners Group Private Market Credit Strategies 2018 Fund	During the reporting period, the Fund did not undertake any ESG-related engagements, which is consistent with its current phase of winding down operations.	<p>Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks.</p> <p>Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations.</p> <p>Partners Group were not able to provide ESG engagement examples</p>
Partners Group Private Markets Credit Strategies 2020 Fund	<p>Total engagements: 3*</p> <p>*Note that Partners Group provide data annually, and as such the engagement data shown reflects their activity over the 2024 calendar year.</p>	<p>Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they will typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private</p>

		<p>companies also reduces the transparency of the information available to assess ESG risks.</p> <p>Partners Group has engaged on mostly governance related issues over the period, rather than environmental or social considerations. An example of a significant corporate governance activity within the portfolio project includes:</p> <p>Astek – Partners Group engaged with the Company's management to discuss the possibility of setting ESG margin ratchets. There were also discussions around setting goals for the ESG margin adjustments. Two out of three criteria have been agreed upon, and discussions are still ongoing for the final one.</p>
IFM Global Infrastructure Fund	IFM currently do not provide details of their engagement activities due to the nature of the fund. Isio will work with IFM on the development of the firm's engagement reporting	<p>IFM engage through board representation in both their private equity and public market portfolio holdings. IFM will only invest in companies which have appropriate governance structures in place. IFM bring together key executives of their portfolio companies to help spread good ESG practice and objectives across the portfolio.</p> <p>Mersin International Port - IFM continues to support Mersin International Port on the delivery of its Safety Remedial Actions as well as with the set-up of its longer-term Safety Culture Transformation Programme. In 2024, Mersin International Port continued to improve its safety culture, as evidenced by a further decrease in lost time injury frequency ("LTIF") rate by 19%.</p>
Insight Global ABS	<p>Total engagements: 60</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance.</p> <p>An example of an engagement includes:</p> <p>Pepper – Insight engaged with Pepper regarding their ESG considerations in relation to loan origination and underwriting. Discussions were held over Q4 2024 where Insight raised ESG considerations and disclosures as an area of concern. Subsequently Pepper agreed that disclosures needed to improve and would be looking to build on a number of ESG metrics in their annual reports. Insight also raised the issue of</p>

		loan origination practices and Pepper agreed that this was something they were reviewing.
Insight Liquid ABS	<p>Total engagements: 60</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance.</p> <p>An example of an engagement includes:</p> <p>Mercedes Benz – Insight engaged with Mercedes Benz to understand their ESG approach and additional reporting requirements, including the completion of Insight's proprietary questionnaire. Insight offered to work with them to ensure future participation which Mercedes agreed to, in order to see if they can complete the questionnaire. Mercedes Benz now understand Insight's requirement for completion of the questionnaire and will collaborate with Insight to complete it which will enable Insight to obtain a quantitative ESG score that offers more rigor than the industry AFME standard template. Mercedes Benz have a dedicated ESG team which Insight are arranging to meet and run through their ESG initiatives.</p>
Insight LDI	<p>Total engagements: 7</p> <p>Insight currently do not provide details on the underlying engagement themes at the fund level.</p>	<p>Insight operate an ongoing Counterparty Engagement Programme that assesses core trading partner counterparties' sustainability performance through a bespoke Sustainability Assessment Questionnaire issued every two years. The questionnaire was enhanced in 2024 to respond to the changing ESG landscape, developing regulation, and increased stakeholder expectations and focused on six main areas: climate change, natural capital, human rights, diversity and inclusion, business ethics, and pay. It was issued in 2024 to 26 counterparties, representing c.95% of Insight's total exposure.</p>

Voting (for equity/multi asset funds only)

As the Scheme invests via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 March 2025. The managers also provided examples of any significant votes.

Fund name	Engagement summary	Examples of significant votes	Commentary
BlackRock Dynamic Diversified Growth Fund	<p>Meetings eligible to vote for: 531</p> <p>Resolutions eligible to vote for: 6,966</p> <p>Resolutions voted for: 94.3%</p> <p>Resolutions voted with management: 89.5%</p> <p>Resolutions voted against management: 4.8%</p> <p>Of which, resolutions abstained from: 1.0%</p>	<p>Tesla, Inc – Blackrock voted against the appointment of a new Director of the Special Committee. This followed concerns regarding the board's decision-making process, independence, and effectiveness in overseeing management. A conflict of interest arose as the proposed new director is a member of the board's Nominating and Corporate Governance Committee. He is the only director nominated for election with direct oversight responsibilities for evaluating board composition and independence.</p>	<p>BlackRock use Institutional Shareholder Services (ISS) electronic platform to execute vote instructions. BlackRock categorise their voting actions into two groups: holdings directors accountable and supporting shareholder proposals. Where BlackRock have concerns around the lack of effective governance on an issue, they usually vote against the re-election of the directors responsible to express this concern.</p>