The University of Glasgow Pension Scheme

Implementation Statement

31 March 2026

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: UofGPS SIP

The SIP in the above link was updated in July 2025. Changes to the SIP are detailed in the following pages.

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 2026 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

- At the October and November ISC meetings, the ISC reviewed the investment strategy as part of wider discussions on the Actuarial Valuation. The Trustees agreed to adopt a strategy targeting a level of risk and expected return similar to the previous strategy (Gilts + 2.0% return) while introducing further diversification.
- During the process, the ISC considered a range of new asset classes and have provisionally agreed to make allocations to Diversified Alternatives, Dislocation Strategies and Fund Finance, subject to a legal review scheduled to conclude post period end. These new allocations will replace the Direct Lending and Long Lease Property exposures as proceeds from these investments are returned.
- As part of the revised investment strategy and given the improvement in funding level, the Trustees also agreed to increase the liability hedging target. Insight was instructed at the end of December 2025 to increase the hedging target. The implementation of this took place in January 2026, with the hedge now aligned to 90% on the Technical Provisions basis.
- The Scheme invested £5m of excess cash into the BlackRock Sterling Liquidity Fund in February 2026, as an interim step while the legal review of the provisionally agreed new funds is carried out.

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 90% (on the Technical Provisions basis) of the total liabilities movements caused by changes to interest and inflation rates.	The Trustees agreed to rebalance the liability hedge over the period. The revised hedge involved lifting it to 90% on the Technical Provisions basis to align with the Scheme's improved funding position.
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.	The Scheme's investment strategy was reviewed over the 12 months to 31 March 2026, with more detail outlined on the previous page. The implementation of the provisionally agreed strategy is subject to ongoing legal reviews which are due to conclude post period end.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. 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.	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 explicitly set out that they only consider ESG factors that are not expected to have a negative impact on risk/return balance.	The Trustees undertook an ESG Impact Assessment covering the Scheme's managers in Q1 2026.
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: July 2025
The SIP was updated was updated over the Scheme year (to 31 March 2026) to reflect changes to the investment strategy and allocation following the new investment with PGIM. Regulatory updates have also been accounted for. A copy of the revised SIP is available on the University website, or via the link earlier in this document.

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	Sustainability Impact Assessment Update	Engagement details
BlackRock Dynamic Diversified Growth Fund	We have rated the Fund as partially meet criteria overall for ESG integration, with clear strengths in Investment Approach and Risk Management, including through the identification of ESG opportunities and investments, as well as strong evidence of sustainability specialists feeding into the Fund decision-making. Areas of improvement include Reporting and Stewardship, considering increasing the quality of data reporting, as well as providing robust examples of engagement activities and outcomes.	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.
BlackRock UK Long Lease Property Fund	We have rated the Fund as partially meet criteria overall for ESG integration, with strengths across risk management process, and a thorough scorecard implemented at fund-level. Areas for improvement lie within Stewardship and Reporting, where BlackRock are unable to provide engagement statistics and regular reporting of ESG scores for individual assets and metrics. BlackRock also recently withdrew from the Net Zero Asset Managers Initiative (NZAMI) affecting the collaboration score, deciding to be part of alternative net-zero initiatives instead.	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.
JP Morgan – Unconstrained Bond Fund	We have rated the Fund as partially meet criteria overall for ESG integration, with particular strengths in stewardship and collaboration, reflecting JP Morgan's firm-level ESG policies and commitments. Whilst ESG factors are considered in investment decisions, no fund-level climate, social or nature objectives are defined. Reporting remains a key weakness, particularly when compared to peers and the broader market. We believe the underlying portfolio should allow for more detailed disclosures.	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.
Partners Group - Direct Lending (PMCS 2018 & 2020)	We have rated the Fund as partially meet criteria for ESG integration, with minimal changes year-on-year given the mature nature of the fund. Partners Group show clear strengths in excluding UNGC violators and incorporating ESG factors within the due diligence and review processes. Reporting is the main area of weakness, where disclosures of ESG metrics could be more detailed.	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.

IFM Global Infrastructure Fund	We have rated the Fund as meets traditional criteria overall for ESG integration, with clear strengths across their sustainable investment approach and risk management framework along with being signatories to a number of ESG initiatives. IFM could benefit from incorporating fund-level quantitative climate scenario analysis, consider reporting broader ESG metrics (alongside carbon emissions) in standard reporting and should look to provide more evidence of recent engagement across priority areas. IFM should also consider utilising a formal ESG scorecard as part of the Fund's ongoing monitoring, rather than solely during the initial due diligence process.	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.
Insight Liability Driven Investment ("LDI")	We have assigned a meets traditional criteria rating for the fund range's ESG integration, with a strong approach to stewardship, collaboration and risk management processes – particularly for counterparty evaluation. However, reporting remains a weaker area – with potential improvements being developing reporting of ESG metrics and evidence of higher levels of engagement with policy makers and regulators.	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.
Insight Asset Backed Securities ("ABS")	We have rated the Fund range as meets traditional criteria overall for ESG integration, with clear strengths across risk management and collaboration. Overall, there has several areas of improvement over the year, particularly relating to enhancements made to the fund range's ESG due diligence and monitoring process as well as the manager's ability to evidence robust engagement with underlying counterparties and servicers.	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.
PGIM Global Unsecured Fund	We have rated the Fund as partially meet criteria overall for ESG integration, with collaboration being a clear strength. Positively, the fund employs sector-specific ESG scoring for selecting and monitoring investments and considers ESG opportunities alongside risks. However, the manager lags peers on reporting capabilities (though this is notably an area of challenge for securitised products). Furthermore, there is significant scope for improvement on stewardship, where PGIM could consider setting fund-level stewardship priorities and engaging with a higher proportion of portfolio issuers.	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.

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 2026.

Fund name	Engagement summary	Commentary
BlackRock Dynamic Diversified Growth Fund	Total Engagements: 251 Environmental: 79 Social: 106 Governance: 239 One engagement can comprise of more than one topic across each company.	BlackRock engage with companies through their Investment Stewardship team in order to provide feedback and inform their voting decisions. BlackRock have been unable to provide an engagement example.
BlackRock UK Long Lease Property Fund	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.	BlackRock maintain firm level ESG and stewardship priorities however fund-specific engagement disclosure is limited. The Long Lease Property Fund leases 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.
JP Morgan Unconstrained Bond Fund	Total Engagements: 121 Environmental: 78 Social: 48 Governance: 48 One engagement can comprise of more than one topic across each company	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. An example of a significant engagement includes: HSBC – JP Morgan engaged with HSBC to assess its decarbonisation strategy and policies following personnel changes and updates to climate targets. JP Morgan questioned HSBC's ESG policies including the postponement of interim targets, the integration of the Corporate Sustainability Officer into the finance function, executive remuneration changes and ongoing reviews of emissions-linked lending and energy policies. JP morgan will continue to monitor HSBC's progress on public climate commitments and financing policy updates, encouraging rigorous,

		board-level oversight of climate risk management.
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.	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. The Fund no longer reports engagement data given the age of this vintage.
Partners Group Private Markets Credit Strategies 2020 Fund	Total engagements: 2* *Note that Partners Group provide data annually, and as such the engagement data shown reflects their activity over the 2025 calendar year.	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. An example of a significant engagement includes: **Alliance Marine** – Partners Group engaged with Alliance Marine, via its equity owner LBO France, to address gaps in sustainability data and the absence of formal policies in key areas such as workplace safety, supply chain screening, and human rights due diligence. Partners Group encouraged the company's management to publish formal governance documentation. The engagement resulted in the publication of an ethical charter covering key areas including human rights, employee matters, and environmental responsibilities, addressing previously identified gaps.

IFM Global Infrastructure Fund	IFM currently do not provide total engagement statistics due to the nature of the fund. Isio will continue to work with IFM on the development of the firm's engagement reporting	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. **Veolia Energia Polska** - IFM engaged with Veolia Energia Polska through their active management approach, either at the Board level via Board seats, or through regular direct interactions with management. Through active management, Veolia has committed to transition away from coal and reduce emissions by c. 40% by 2030. This is further supported by plans to shift to lower emission fuels and adapt energy assets to a cleaner energy mix.
Insight Global ABS	Total engagements: 60 Insight currently do not provide details on the underlying engagement themes at the fund level.	Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance. An example of an engagement includes: **PCL Funding:** Insight engaged with PCL Funding (PCLF) ahead of a new issuance to review updates to its ESG framework and policies. Engagement began in September 2025 through a meeting with PCLF's senior management team. Following Insight's review, key developments included enhancements to PCLF's sustainability strategy and environmental policy, alongside the creation of employee networks and an EDI Council to support diversity and inclusion initiatives. A Sustainability Committee was also established to oversee ESG activities.
Insight Liquid ABS	Total engagements: 60 Insight currently do not provide details on the underlying engagement themes at the fund level.	Insight engages with their underlying portfolio projects on a range of ESG issues, mainly related to corporate governance within portfolio companies and share issuance. An example of an engagement includes: **BSKY:** Insight engaged with BSKY with the aim to improve transparency of reporting and the potential implications of UK commission developments. Engagement began in Q2 2025 through a meeting with BSKY's Head of

		Structured Finance. BSKY confirmed that they remain committed to EV lending, which they expect to result in a material increase in EV sales. Carbon reporting is in the early stages of development, with plans to expand disclosures and include emissions data on new deals, including CO2 reporting.to its ESG framework as part of a new issuance. Since establishing its
Insight LDI	Total engagements: 12 Insight currently do not provide details on the underlying engagement themes at the fund level.	Insight operates 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.
PGIM ABS	Total engagements: 11 Environmental: 1 Social: 4 Governance: 6	PGIM approaches engagement through targeted dialogue with issuers on material ESG issues, focusing on areas that add value to the investment process. Engagements provide insight into risks and strategy while promoting best practices in support of high-quality ESG investment outcomes. Examples of significant engagements: **WhiteStar** – PGIM engaged with White Star to review the monitoring and enforcement of their ESG exclusion policy, as PGIM raised concerns that they had more ESG exclusionary language than PGIM typically see in CLO deals. The engagement focused on inconsistencies between the stated exclusions and the inclusion of companies deemed to be transitioning away from coal. PGIM proposed amending policy language to explicitly account for companies with a credible transitionary process. As a result, White Star acknowledged the issue and indicated it would adjust its language regarding exclusions in future deals. PGIM are encouraged by White Star's receptiveness to feedback, but will continue to monitor progress.

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 2026. The managers also provided examples of any significant votes.

Fund name	Engagement summary	Examples of significant votes	Commentary
BlackRock Dynamic Diversified Growth Fund	Meetings eligible to vote for: 584 Resolutions eligible to vote for: 7,379 Resolutions voted for: 94.5% Resolutions voted with management: 90.0% Resolutions voted against management: 4.5% Of which, resolutions abstained from: 0.5%	BlackRock were not able to provide case study examples of voting actions and outcomes.	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.