University of Edinburgh Staff Benefits Pension Scheme - Implementation Statement for the year ending 31 March 2026

Introduction

The Trustee has prepared this Implementation Statement in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and subsequent amending legislation and those of the Pensions Regulator's General Code of Practice. It sets out how the Trustee has complied with the University of Edinburgh Staff Benefit Scheme's Stewardship Policy as set out in Statement of Investment Principles during the period from 1 April 2025 to 31 March 2026.

The Trustee is satisfied that:

- The Scheme's investments have been managed in accordance with the Scheme's Statement of Investment Principles;
- The Scheme's investments have been managed in accordance with the Scheme's Stewardship Policy during the period; and
- The provisions of the Statement of Investment Principles remain suitable for the Scheme's members.

Statement of Investment Principles

The Statement of Investment Principles sets out the principles and practices the Trustee follow when governing the Scheme's investments. It describes the rationale for selecting the investment strategy and explains the risks and expected returns of the funds used, as well as the Trustee's approach to responsible investing (including climate change).

The Trustee reviewed and updated the Statement of Investment Principles during the period.

The updates reflected changes to the Scheme's investment strategy, including de-risking following funding improvements, revisions to the rebalancing policy, and equity portfolio restructuring.

The Statement is next scheduled for review no later than November 2026.

The Trustee has prepared this Implementation Statement on the basis of the Statement of Investment Principles in force throughout the period, with reporting within this document in line with the Statement of Investment Principles applicable at the relevant time.

The Scheme's Statement of Investment Principles can be consulted online at Statement of Investment Principles – September 2026 | University of Edinburgh.

Investment Governance

The primary objective of the Scheme 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 Trustee also offers members the opportunity to make additional contributions and invest in a range of vehicles at members' discretion. The Trustee holds these assets separately from the Defined

Benefit section of the Scheme to secure benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions.

The Trustee has overall responsibility for how the Scheme's investments are governed and managed, in accordance with the Scheme's Trust Deed and Rules, as well as Trust Law, Pensions Law and Pension Regulations.

The Trustee has established an Investment Sub-Committee, which focuses on investment issues and makes recommendations to the full Trustee Board.

The Trustee has set objectives for the Scheme's investment advisor designed to align with the Trustee's own objectives and investment strategy set out in the Statement of Investment Principles. The Trustee has carried out an evidence-based review of the investment advisor's performance against these objectives in November 2025. The Trustee is satisfied that the objectives have been achieved for the year.

The investment risks relating to the Scheme are described in the Statement of Investment Principles on pages 4-5 and the expected return is described in the SIP on page 3.

The Trustee's views on the expected levels of investment risks and returns inform decisions on the strategic asset allocation (i.e. what type of assets and areas of the world the Scheme invests in over the longer term), and the style of management adopted by the Scheme.

The Trustee maintains a conflicts of interest policy, which is reviewed regularly. The policy sets out how conflicts are defined, along with the means to identify, manage and monitor potential conflicts. In addition, the Trustee expects investment managers, advisors and contractors to have effective policies in place to address potential conflicts of interest. The service providers in scope have not disclosed any potential or actual conflict over the period.

Stewardship Policy

The Trustee's Stewardship Policy sets out how the Trustee will behave as an active owner of the Scheme's assets. It includes the Trustee's approach to:

- The exercise of voting rights attached to assets; and
- Undertaking engagement activity, including how the Trustee monitors and engages with its investment managers and any other stakeholders.

The Scheme's Stewardship Policy can be found within the Scheme's Statement of Investment Principles, at Statement of Investment Principles – September 2026 | University of Edinburgh.

The Scheme's Stewardship Policy is reviewed in line with the Scheme's Statement of Investment Principles, which is typically reviewed annually and was last updated in November 2025.

There were no changes made to the Stewardship Policy over the Scheme year ending 31 March 2026.

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustee believes it is important that its investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with management on issues which affect a company's financial performance.

The Trustee's own engagement activity is focused on its dialogue with its investment managers which is undertaken in conjunction with its investment advisors. The Trustee meets regularly with its managers and reviews the exercise of their stewardship both during these meetings and through reporting provided by its investment advisor.

The Trustee also monitors its compliance with the Stewardship Policy on a periodic basis and is satisfied that it has complied with the Scheme's Stewardship Policy over the last Scheme year.

Voting Activity

The Trustee seeks to ensure that its managers are exercising voting rights and, where appropriate, monitors managers' voting patterns. The Trustee also monitors votes cast by managers on particular companies or issues that affect more than one company.

The Trustee invests in listed equities through two mandates, both with L&G. L&G has reported on how votes were cast in each of these mandates as set out below.

	L&G All World Equity Index Fund	L&G RAFI Multi-Factor Climate Transition Fund
Proportion of Scheme assets (as at 31 March 2026)	8.7%	8.7%
No. of meetings eligible to vote at during the year	6,820	736
No. of resolutions eligible to vote on during the year	68,549	10,771
% of resolutions voted	100.0%	100.0%
% of resolutions voted with management	77.9%	76.5%
% of resolutions voted against management	20.5%	23.0%
% of resolutions abstained	1.6%	0.5%
% of meetings with at least one vote against management	61.2%	77.3%

Source: L&G. Note: Percentage totals may not equal 100% due to rounding.

The L&G RAFI Multi-Factor Climate Transition Fund reported fewer eligible meetings and resolutions than the L&G All World Equity Index Fund. This reflects its more selective and smaller investment universe and, ultimately, lower number of underlying holdings, compared with a broader market capitalisation global index fund. Notwithstanding this, both funds demonstrated active stewardship, with all resolutions voted on, a significant proportion of votes cast against management and a high level of meetings involving at least one vote against management.

The Trustee is satisfied that the manager exercised the Scheme's rights as a shareholder in the underlying holdings, voting on all eligible resolutions across both mandates, showcasing commitment to active and responsible stewardship.

Significant Votes

The Trustee has asked L&G to report on the most significant climate related votes cast within the portfolios they manage on behalf of the Scheme, as this aligns with a key priority area for the Trustee. Managers were asked to explain the reasons why votes were deemed significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. From the manager reports, the Trustee has identified the following votes as being of greater relevance to the Scheme:

L&G's RAFI Multi-Factor Climate Transition Fund – Broadcom Inc. (1.10% allocation), 21 April 2025

L&G voted against the re-election of Henry Samueli as a director of Broadcom Inc.

L&G considered that Broadcom had not made sufficient progress against its climate-related expectations and red lines under its Climate Impact Pledge engagement programme. As a result, L&G opposed the director's re-election as an escalation measure to signal concerns over the company's management of climate-related risks and its progress against L&G's expectations.

However, the resolution was passed with 98.0% shareholder support.

The vote is significant because it was cast under L&G's Climate Impact Pledge, L&G's engagement programme targeting companies in climate-critical sectors. Votes made under this programme are used to hold companies accountable where insufficient progress has been made on climate-related expectations and disclosures.

L&G has indicated it will continue to engage with Broadcom Inc.

L&G's All World Equity Index Fund – Bank of Montreal (0.09% allocation), 11 April 2025

L&G voted in favour of a shareholder proposal requesting Bank of Montreal to provide annual disclosure of the bank's energy supply ratio.

L&G believes banks and financial institutions have an important role to play in supporting the transition from higher-carbon to lower-carbon energy sources and expects companies to provide robust analysis and reporting on climate-related risks and opportunities. L&G considered the enhanced disclosure sought by the proposal to be valuable in assessing the bank's approach to financing the energy transition and managing climate-related financial risks.

The resolution was not passed but received 32.4% of shareholder support.

The vote is significant due to the relatively high level of shareholder support it received and because it formed part of a broader set of climate-related shareholder proposals across the North American banking sector. L&G believes improved transparency in this area enables investors to better assess how financial institutions are positioning themselves for the transition to a lower-carbon economy.

L&G has indicated it will continue to engage with Bank of Montreal.

Use of a Proxy Adviser

The Scheme's investment managers have made use of the services of the following proxy voting advisers over the Scheme year:

Manager	Proxy Advisor used
L&G	ISS

Engagement Activity

Summary of Trustee engagement with managers

The Trustee holds meetings with its Scheme's investment managers on a regular basis. During the year, the Trustee met with Barings for a general update and to consider future deployment into direct lending.

Summary of Manager Engagement Activity

A summary of the key engagement activity for the Scheme's equity managers, for the 12-month period ending 31 March 2026, is outlined in the following table.

Manager	Number of engagements	Key topics engaged on
L&G All World Equity Index Fund	1,523	Climate impact pledge, deforestation, climate change, remuneration, corporate strategy
L&G RAFI Multi-Factor Climate Transition Fund	439	Climate impact pledge, deforestation, climate change, remuneration, board composition

Review of policies

Where appropriate, the Trustee will review investment managers' Responsible Investment policies on a periodic basis. The review will consider the managers' broader approach to responsible investment issues, in addition to considering any change in approach by the manager over the year. The Trustee will also consider changes to the managers' voting policies.

The Trustee and its investment advisors remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies, remain suitable for the Scheme.

Prepared by:

The Trustee of the University of Edinburgh Staff Benefits Scheme
September 2026