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BCPP JOINT COMMITTEE

AGENDA

Venue: **Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ**

Date: **Wednesday, 9 July 2025**

Time: **12.00 pm**

Membership:

Chair:-

Cllr George Jabbour	North Yorkshire Pension Fund

Vice Chair

Cllr Doug McMurdo	Bedfordshire Pension Fund

Membership:-

Cllr Doug Rathbone	Cumbria Pension Fund
Cllr Chris Fairs	Durham Pension Fund
Cllr Paul Hopton	East Riding Pension Fund
Cllr Ray Condell	Lincolnshire Pension Fund
Cllr John Kabuye	Teesside Pension Fund
Cllr Donna Sutton	South Yorkshire Pension Fund
Cllr Richard Tear	Surrey Pension Fund
Cllr Ken Dawes	Tyne & Wear Pension Fund
Cllr Christopher Kettle	Warwickshire Pension Fund

Scheme Member Representatives

Lynda Bowen	East Riding LPB
Nicholas Wirz	Tyne & Wear LPB

Border to Coast Joint Partnership Mission Statement:
As a group of equal partners, we commit our assets and collective efforts alongside Border to Coast to responsibly deliver better outcomes for our stakeholders.

Terms of Reference of the BCPP Joint Committee

1. The primary purpose of the Joint Committee is to exercise oversight over investment performance of the collective investment vehicles comprised in the BCPP Pool.

2 The Joint Committee will provide effective engagement with the Authorities as the BCPP Pool vehicles are established and ultimately operated. It will encourage best practice, operate on the basis that all partners have an equal say and promote transparency and accountability to each Authority.

The remit of the Joint Committee is:

2.1 Phase 2 – Post Establishment and Commencement of Operations

2.1.1 To facilitate the adoption by the Authorities of relevant contracts and policies.

2.1.2 To consider requests for the creation of additional ACS sub-funds (or new collective investment vehicles) and to make recommendations to the BCPP Board as to the creation of additional sub-funds (or new collective investment vehicles).

2.1.3 To consider from time to time the range of sub-funds offered and to make recommendations as to the winding up and transfer of sub-funds to the BCPP Board.

2.1.4 To review and comment on the draft application form for each additional individual ACS sub-fund on behalf of the Authorities prior to the Financial Conduct approval (or the draft contractual documents for any new collective investment vehicle).

2.1.5 To formulate and propose any common voting policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.

2.1.6 To formulate and propose any common ESG/RI policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.

2.1.7 To formulate and propose any common conflicts policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.

2.1.8 To agree on behalf of the Authorities high level transition plans on behalf of the Authorities for approval by the Authorities for the transfer of BCPP assets.

2.1.9 To oversee performance of the BCPP Pool as a whole and of individual sub-funds by receiving reports from the BCPP Board and taking advice from the Officer Operations Group on those reports along with any external investment advice that it deems necessary.

2.1.10 To employ, through a host authority, any professional advisor that the Joint Committee deems necessary to secure the proper performance of their duties.

AGENDA

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Minutes of the Border to Coast Joint Committee

Tuesday, 25 March 2025 - Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ

Present Members:	**Chair:** Cllr George Jabbour, North Yorkshire Pension Fund **Vice-Chair:** Cllr Doug McMurdo, Bedfordshire Pension Fund
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	Cllr David Sutton-Lloyd, Durham Pension Fund Cllr John Holtby, East Riding Pension Fund (as substitute for Cllr Paul Hopton) Cllr Eddie Strengiel Lincolnshire Pension Fund Cllr Jayne Dunn, South Yorkshire Pension Fund Cllr Robert Hughes, Surrey Pension Fund Cllr Doug Rathbone, Cumbria Pension Fund Cllr John Kabuye, Teesside Pension Fund Cllr Ken Dawes, Tyne & Wear Pension Fund Cllr Christopher Kettle, Warwickshire Pension Fund
Scheme Member Representatives:	Nicholas Wirz Lynda Bowen
Fund Officers:	Mike Batty, Bedfordshire Pension Fund Kate McLaughlin-Flynn, Cumbria Pension Fund Paul Cooper, Durham Pension Fund Tom Morrison, East Riding & North Yorkshire Pension Funds Jo Kempton, Lincolnshire Pension Fund George Graham, South Yorkshire Pension Fund Neil Mason, Surrey Pension Fund Paul McCann, Tyne & Wear Pension Fund Chris Norton, Warwickshire Pension Fund
Partner Fund Nominated Non Executive Directors:	Cllr David Coupe
Border To Coast Representatives:	Rachel Elwell – Chief Executive Officer Chris Hitchen – Chair Fiona Miller – Deputy Chief Executive Tim Manuel – Head of Responsible Investment Ewan McCulloch - Chief Stakeholder Officer Joe McDonnell – Chief Investment Officer

Milo Kerr - Head of Customer Relationship Management

Secretariat: Jo Stone – South Yorkshire Pensions Authority
Gina Mulderrig – South Yorkshire Pensions Authority

1 APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed everyone to the meeting including members of the public.

Councillor George Jabbour declared a non-pecuniary interest in relation to the nature of his campaigning work, including the way public sector pension funds manage their funds.

Councillors George Jabbour, Doug McMurdo and David Coupe declared an interest in agenda item 7 and it was resolved they would leave the meeting during the item.

Councillor Holtby declared that he was attending the meeting on this occasion as a substitute for Councillor Hopton to represent East Riding Pension Fund but that he was also a Partner Fund Nominated Non Executive Director of the Company.

The following members declared that they held pensions that were part of the Local Government Pension Scheme:

Councillor Doug McMurdo
Councillor Jayne Dunn
Lynda Bowen
and Nicolas Wirz

The Chair introduced Councillor Robert Hughes and explained that he had taken on the role of Joint Committee member representing Surrey Pension Fund replacing Councillor Nick Harrison. The Chair expressed gratitude to Councillor Nick Harrison and to Councillor Jayne Dunn, who was in attendance representing South Yorkshire Pensions Authority on the Joint Committee for the final time, and praised their tremendous contributions to the Joint Committee.

The Chair summarised the recent meetings, training and events that had been attended by himself and members of the Joint Committee, including the two workshops that were organised to agree the LGPS: Fit for the Future consultation submissions. He also provided an update about the Joint Committee's Effectiveness Review, including the report that he had circulated. He stressed that he will continue to observe best practices as he meets with funds and pools around the country to incorporate in the work of the Committee.

2 QUESTIONS FROM THE PUBLIC

Four questions had been received from members of the public (Ms J Cattell, Ms A Whalley, Ms L Coeur-Bell and Mr Ashraf) that the Chair had agreed should be responded to. The Chair provided the responses prepared by the Border to Coast company in terms of the approach it takes as it acts in line with policies agreed by partner funds on the issues raised. A full copy of the questions and the responses is appended to the minutes.

3 MINUTES OF THE MEETING HELD ON 26 NOVEMBER 2024

The minutes were received, and members were asked to approve.

RESOLVED – That the minutes of the meeting held on 26 November 2024 be agreed as a true record.

4 JOINT COMMITTEE BUDGET

Neil Mason, Chair of the Officer Operations Group, presented the report detailing the Joint Committee budget position for 2024/25.

Members requested assurance that the budget adequately covered travel costs and expenses for any members or officers who are attending meetings to represent partner funds. The Chair of the Officer Operations Group assured the Joint Committee that forecast spend on travel and expenses was contained within the budget.

RESOLVED - Members

a. ***Noted the budget position for 2024/25 and;***
b. ***Agreed a budget of for 2025/26 of £50,000.***

5 CALENDAR OF MEETINGS

The most recently updated schedule of meetings was included in the agenda for members to note.

The Chair explained the complexities of finding dates to suit all parties and assured the Joint Committee that meeting invitations would be issued imminently to ensure maximum attendance.

RESOLVED – Members noted the scheduled dates for meetings of the Joint Committee, Border to Coast Conference and member workshops for the next three years.

6 SCHEME MEMBER REPRESENTATIVE ELECTION RESULTS

George Graham, as Secretary to the Joint Committee, presented the report to provide members with the result of the election for a Scheme Member Representative held during March 2025.

The Chair congratulated Lynda Bowen on her election as Scheme Member Representative.

RESOLVED – Members

a. Noted the results set out in the body of the report and;
b. Appointed Lynda Bowen as Scheme Member Representative for a 3 year term.

Councillors Jabbour, McMurdo and Coupe left the meeting prior to the commencement of item 7.

7 PARTNER FUND NON EXECUTIVE DIRECTOR ELECTIONS

Councillor Strengiel was elected by remaining members of the Joint Committee to Chair item 7 in the absence of the Chair and Vice Chair.

George Graham, as Secretary to the Joint Committee, presented the report to set out the process for selecting candidates for nomination to the Board of the Border to Coast Pensions Partnership Ltd as Partner Fund Non-Executive Directors.

RESOLVED – Members agreed that

a. The elections to the specified roles should take place as set out in the body of the report and;
b. The Secretary to the Joint Committee should be authorised to transmit the nominations of successful candidates to the Company immediately following conclusion of the ballot.

Councillor Jabbour, Councillor McMurdo and Councillor Coupe returned to the meeting for the remainder of the agenda. Councillor Jabbour resumed chairing duties.

8 GOVERNANCE CHARTER ANNUAL REVIEW

Milo Kerr, Head of Customer Relationship Management, presented the annual review of the Governance Charter (“the Charter”).

Members queried whether the review of the Charter was to be carried out annually. The Chief Executive Officer explained that it had been agreed not to review the Charter in the previous year due to ongoing work around the shareholder agreement but that the intent at least for the next few years was to review it annually, particularly given the potential changes that may come from the LGPS: Fit for the Future consultation.

Members asked whether there was scope to amend the Charter and include further detail on the roles and responsibilities of the Joint Committee, in particular the role of Scheme Member Representatives, and to add more detail on governance of the Border to Coast Pensions Partnership to ensure clarity and to balance the current focus of the Charter on investment.

The Chief Executive Officer proposed drafting additional wording on the roles and responsibilities of Scheme Member Representatives to be circulated to the Joint Committee for approval before the Charter was published. The Chief Executive Officer explained that any amendments to governance structure and arrangement details in the Charter would require review of the Border to Coast Shareholders' Agreement and Inter Authority Agreement and, as such, would be an intense piece of work. It was also advised that the LGPS Scheme Advisory Board plan to produce guidance on good governance in relation to new arrangements resulting from the Pensions Review and it would therefore be prudent to review the governance detail in the Charter following the implementation of the Pensions Review and the issuing of guidance rather than amending the existing Charter.

Members added that there was the expectation of Local Government Reorganisation in the administering authorities of the partner funds within the next year so reviewing the Charter again following any restructure and to include the developments in governance that follow the Pensions Review would be necessary.

RESOLVED - The Joint Committee approved the Governance Charter subject to the inclusion of additional detail on the role of Scheme Member Representatives before publication.

9 RESPONSIBLE INVESTMENT UPDATE

Tim Manuel, Head of Responsible Investment, presented the report to provide the Joint Committee with an update on the Responsible Investment activity and reporting of Border to Coast Pensions Partnership since the previous meeting.

The Chair of South Yorkshire Pensions Authority shared with the Joint Committee that the Authority had reviewed their RI policies earlier in the month and members had subsequently asked officers to undertake a project looking at options for measures to take when engagement with companies had failed to produce the required outcomes, such as exclusion, to inform development of RI policies when next updated.

The Chair added that potential measures to follow failed engagement attempts was a noted topic of discussion amongst other LGPS committees and pools and the Local Authority Pension Fund Forum and that every fund can use their platform for influence.

The Head of RI explained that work on the annual review of Border to Coast's RI policies and the 3 Year RI Strategy was upcoming and that it was important they reflect the views of all partner funds, and he looked forward to a structured consultation with Partner Funds, including the Joint Committee, to inform robust policies and strategy.

The Chair drew the value of receiving regular updates on RI activity from the company and encouraged future discussion and communication in preparation for next reviewing their RI polices and strategy.

Members welcomed focus on RI issues but also noted that the priority of the pool and partner funds remained providing benefits to scheme members and, as such, any RI policy or strategy needed to be underpinned by good financial performance.

RESOLVED - The Committee noted the report.

Exclusion of the Public and Press RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

10 DEVELOPMENT OF ADVISORY CAPABILITY

Ewan McCulloch, Chief Stakeholder Officer presented the report outlining the proposed advisory model, the timeline for implementation, and giving a summary of the potential conflicts of interest and how they will be managed.

RESOLVED – Members noted the overview of the investment advisory capability and the design principles as set out in the report.

11 ANNUAL REVIEW OF STERLING INDEX-LINKED BOND, MULTI ASSET CREDIT AND STERLING INVESTMENT GRADE CREDIT FUNDS

Neil Mason, Chair of the Officer Operations Group, presented the annual review of the Sterling Index-Linked Bond Fund, Multi-Asset Credit Fund and Sterling Investment Grade Credit Fund.

Members noted the content of the report, investment performance, the effect of the volatility of the global market and measures officers plan to take to overcome any challenges to improvement in performance.

Members asked for more detail on how the carbon footprint of the Multi Asset Credit Fund could be measured. The Chief Executive Officer explained the progress made in improving the coverage and accuracy of measuring the carbon footprint of the MAC fund and the challenges still to overcome, and assured the Joint Committee that Border to Coast were working with leaders in the market to push development and effect change.

Officers agreed to provide training outside of the meeting to further explain how the MAC fund functioned and how it can be measured.

RESOLVED – Members noted the report.

12 OVERVIEW OF POOLING PROGRESS

Milo Kerr, Head of Customer Relationship Management, presented the report to give the Joint Committee an overview on the progress of pooling including Partner

Fund engagement, transition progress and plans, proposition launches and collective voice, as well as the risks to pooling.

RESOLVED – Members noted the report.

13 UPDATE ON EMERGING MATTERS

Rachel Elwell, Chief Executive Officer, gave the Joint Committee a verbal update on developments regarding the Pensions Review. It was explained that senior Border to Coast officers had met with the Minister for Pensions to discuss the pool's recent submission setting out the partnership's plans to meet the requirements set out in the LGPS: Fit for the Future consultation. The Chief Executive Officer commented that the meeting had been productive with Border to Coast Officers representing the whole partnership and detailing its specific position and vision. It is expected all pools will receive a response to the Pensions Review consultation in the coming weeks.

The Chief Executive Officer explained that Border to Coast was committed to ensuring it was in the best position to implement any changes and be resilient and sustainable whilst continuing to provide good performance. It was also explained that there was communication and collaboration with other LGPS pools. The Chair of Border to Coast Pensions Partnership added that preserving a good working culture and relationship with all funds was also a high priority.

Members thanked officers for their ongoing work in this area and acknowledged the challenges faced. It was requested the Joint Committee continue to be kept informed and involved with all future developments. Officers assured members that they would be kept updated and also offered assurance that the priority of the pool was serving scheme members and providing benefits and that assets would be managed to prioritise performance throughout any changes.

RESOLVED – Members noted the update.

Meeting closed 13:44

CHAIR

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PENSIONS PARTNERSHIP

Border to Coast Joint Committee

Calendar of Meetings

2025/26	2026/27	2027/28
Wednesday, **9 July 2025**: Joint Committee meeting in Leeds	Wednesday, **8 July 2026**: Joint Committee meeting in Leeds	Wednesday, **7 July 2027**: Joint Committee meeting in Leeds
Wednesday, **24 September 2025**: Joint Committee meeting in Leeds	Wednesday, **23 September 2026**: Joint Committee meeting in Leeds	Wednesday, **22 September 2027**: Joint Committee meeting in Leeds
Thursday and Friday, **25 and 26 September 2025**: Border to Coast Annual Conference in Leeds	Thursday and Friday, **24 and 25 September 2026**: Border to Coast Annual Conference in Leeds	Thursday and Friday, **23 and 24 September 2027**: Border to Coast Annual Conference in Leeds
Monday, **10 November 2025**: Virtual workshop	Tuesday, **10 November 2026**: Virtual workshop	Tuesday, **9 November 2027**: Virtual workshop
Tuesday, **25 November 2025**: Joint Committee meeting in Leeds	Tuesday, **24 November 2026**: Joint Committee meeting in Leeds	Tuesday, **23 November 2027**: Joint Committee meeting in Leeds
Thursday, **22 January 2026**: Virtual workshop	Thursday, **21 January 2027**: Virtual workshop	Thursday, **20 January 2028**: Virtual workshop
Tuesday, **24 March 2026**: Joint Committee meeting in Leeds	Tuesday, **23 March 2027**: Joint Committee meeting in Leeds	Tuesday, **21 March 2028**: Joint Committee meeting in Leeds

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Border to Coast Pensions Partnership Limited

Joint Committee

Date of Meeting: **9th July 2025**

Report Title: **Joint Committee Budget**

Report Sponsor: **Neil Mason, Chair Officer Operations Group**

1.0 Recommendation

1.1 The Joint Committee is asked to:

- Note the final budget position for 2024/25.
- Note the budget position for 2025/26.

2.0 2024/25 Joint Committee Budget

2.1 At the Joint Committee meeting in March 2024 a budget of £50,000 was approved for 2024/25. This is an increase from the budget in previous years to reflect inflation.

2.2 The Budget is intended to cover costs incurred by the Joint Committee and the partner funds, including the secretarial services to convene and run meetings, and for collective advice and support (internal from partner funds and external sources) which may be required from time to time by all partner funds.

2.3 It is also considered reasonable that this budget is used to cover travel costs and expenses for any members or officers who are attending meetings to represent all partner funds. This will include but will not be limited to meetings with the Ministry of Housing and Communities and Local Government (MHCLG). This budget will not be used where members and officers are attending meetings to represent their own funds including Joint Committee meetings and Officer Operations Group Meetings.

2.4 The budget will also be used to cover travel expenses for scheme member representatives appointed as non-voting members to the Joint Committee. This is because they will be deemed to be representing the scheme members from all partner funds.

2.5 In line with the cost sharing principles these costs will be shared equally between the partner funds.

2.6 At the end of the year expenditure incurred against this budget was £10,685.84. This primarily relates to external legal costs incurred in establishing the legal documentation for the UK Real Estate Main fund (circa £5,000) and the Secretariat support to the Joint Committee, from South Yorkshire Pensions Authority.

2.7 Other expenditure incurred in the current year, includes travel and subsistence for the scheme member representatives on the Joint Committee.

2.8 The recharge to partner funds at the year end was £971 each.

3.0 Budget for 2025/26

3.1 At the Joint Committee meeting in March 2025, a budget of £50,000 was approved for 2025/26.

3.2 To date expenditure has been incurred of £12,638 which relates to the final piece of legal work for the Governance Review.

4.0 Conclusion

4.1 For 2024/25 the final expenditure incurred was well below the Joint Committee Budget.

4.2 For 2025/26 expenditure of £12,638 has been incurred against the £50,000 budget.

Report Author:

Neil Sellstrom, neil.sellstrom@southtyneside.gov.uk

Further Information and Background Documents:

N/A

PENSIONS PARTNERSHIP

Border to Coast Joint Committee

Date of Meeting: 9th July 2025

Report Title: Joint Committee Arrangements and Partner Fund Non Executive Directors

Report Author: George Graham (for Officer Operations Group)

1.0 Executive Summary:

1.1 This report makes revised proposals for the arrangements for the election of Partner Fund Nominated Non-Executive Directors and potential elections for Joint Committee roles because of the Government's decision about the future of two pools which will potentially lead to a change in the number of funds participating in the Partnership.

2.0 Recommendation:

2.1 It is recommended that:

a) The Joint Committee recommend to the Company's Board the extension of Cllr David Coupe's term as a Non-Executive Director by 12 months.

b) The Joint Committee approve the arrangements set out in para 4.2 for managing the initial integration of any new partners into the work of the Joint Committee.

3.0 Changes in Circumstances and Rationale for Change

3.1 The Joint Committee approved arrangements for elections to the two Partner Fund nominated Non-Executive Director roles at its last meeting. Subsequently the Government announced that the ACCESS and Brunel Pensions Partnership pools would not be allowed to continue and that the 21 funds belonging to these pools should find a new pool and complete the necessary shareholder agreements by March 2026. Border to Coast is one of the pools able to admit new members and has been approached by a number of these funds as part of their due diligence process. An update on these discussions is provided elsewhere on the confidential part of the agenda.

3.2 Officers have been discussing how to manage the transition to a potentially larger new partnership and the importance of ensuring that any new partners do not feel excluded within the Partnership's governance arrangements creating a "them and us" situation. Such inclusiveness which promotes collaboration has been a significant contributor to the success of Border to Coast. As a result, revised proposals for the arrangements for elections to the Non-Executive Director roles are being brought forward together with outline proposals for the operation of the Joint Committee during any transition to a new partnership.

4.0 Proposed Revised Arrangements

4.1 In order to provide new partner funds with the opportunity to be involved in the process of selecting Partner Fund Nominated Non-Executive Directors at the earliest possible opportunity it is now proposed to conduct an election for only one role in this cycle and to extend the other role for a period of one year. In addition to facilitating the involvement of new partners this approach has the benefit of placing the two roles on different electoral cycles which will assist with Board continuity for the operating company. The Government is also proposing to issue new guidance on shareholder governance, and this will allow the implications of this to be considered as necessary. The Company's Board is supportive of this approach and Cllr David Coupe has indicated a willingness to have his current role extended. Should the Joint Committee agree to this approach an election process will be undertaken immediately following this meeting for the other role. Should the election of a NED result in a vacancy for one of the Joint Committee office holders the necessary arrangements will need to be resolved at the September meeting of the Joint Committee.

4.2 There will be a process running from September 2025 to March 2026 which will result in a transition from the current Joint Committee to a new Joint Committee including any new partners which will be governed by a new Inter-Authority Agreement. At the same time a number of functions which the current Joint Committee undertakes will need to continue. However, it will be important during this period to involve new partners in some elements of the work of the Joint Committee, such as influencing the shape of the new services to be provided by the Operating Company, and the annual review of the Responsible Investment policy. As any new partners cannot formally participate in the Joint Committee until the Joint Committee has been reconstituted under the new Inter-Authority Agreement it is proposed that an approach along the following lines which builds on experience prior to the formal establishment of the current Joint Committee.

a) The Joint Committee will continue to meet as scheduled to consider a limited range of business including annual proposition reviews and updates on responsible investment which relate to the operation of the current partnership. It will also need to formally approve the responsible investment policies in the usual way.

B) An informal working group will be constituted which comprises the members of the Joint Committee together with the Chairs (or other representatives) of any new partner funds which will deal with issues concerned with the transition to the new partnership including the design of new services. Ordinary meetings of this group would take place on the same day and at the same venue as the Joint Committee, which will help establish relationships across the new partnership. This group may need to meet more frequently than the Joint Committee and because it is not constituted as a Joint Committee will be able to do so virtually if necessary. It is suggested that the Chair of the Joint Committee act as Chair for this group with a Vice Chair being drawn from amongst any new partners.

4.3 There are a range of further practical issues that will need to be addressed if this approach is followed including venues for the Joint Committee / Working Group as the current venue is already over-crowded and is not suitable for holding a larger meeting. Additionally, any new partners will change the geographic balance of the partnership, and it will be important to facilitate arrangements which maintain the current high level of in person interaction between Joint Committee members. Officers will consider this over the summer with a preference for using a Council Chamber at one of the partner councils which could facilitate the webcasting of the public parts of future Joint Committee meetings, subject to budget.

4.4 Once the shape of the new partnership is clear there will be further issues to be considered such as how to ensure scheme member representation in a way which is inclusive of new partners and the secretariat arrangements for the Joint Committee. At this stage no work has been done on these matters, but they will be an important part of early discussions with new partners.

5.0 Recommendation

5.1 It is recommended that:

a) The Joint Committee recommend to the Company's Board the extension of Cllr David Coupe's term as a Non-Executive Director by 12 months.

b) The Joint Committee approve the arrangements set out in para 4.2 for managing the initial integration of any new partners into the work of the Joint Committee.

Report Author:

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Further Information and Background Documents:

None

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AGENDA ITEM 8

Border to Coast Pensions Partnership Limited

Joint Committee

Date of Meeting: **9 July 2025**

Report Title: **Responsible Investment update**

Report Sponsor: **Rachel Elwell – CEO**

1 Executive Summary

1.1 Border to Coast strongly supports Responsible Investment. We believe that companies with good governance, diverse boards, and a strong focus on sustainability are more likely to be resilient and deliver better financial returns. We also believe that actively engaging with companies is the best way to manage systemic risks and help create long-term value for our Partner Funds.

1.2 This report provides an update on our RI activity and reporting. An update is also provided on engagement supporting our priority themes, both direct and through our involvement in collaborations, our voting, and other RI activity.

1.3 The quarterly stewardship and voting reports produced by Border to Coast and Robeco for the quarter ending 31 March 2025 have been published on our website.

2 Recommendations

2.1 The Committee is asked to note the report.

3 Engagement Update

3.1 Engagement is ongoing to support delivery of Border to Coast's thematic engagement plan through a mix of direct company engagement by the RI and Investment Team, engagement conducted by Robeco and external managers, and through collaboration with other institutional investors.

3.2 Oil and Gas sector engagement has focused on BP in recent months, with reports leading up to its AGM that it intended to weaken its climate targets and transition plans. Following confirmation of their "strategy reset", we met with the company to raise our concerns, including that its transition plan, approved by a large majority of shareholders in 2022, had twice been reduced in ambition without renewing its shareholder mandate. A request for a vote at the 2025 AGM was refused. Border to Coast advised of our voting and escalation policies and the implications for BP.

3.3 To reflect BP's governance failure and our engagement escalation, Border to Coast voted against management at BP's AGM in April 2025 on an unprecedented number of agenda items, including the re-election of the Chair of the Board and three other directors. We also voted against acceptance of the annual report and against approval of the remuneration report. As part of our engagement escalation, we publicly pre-declared these votes ahead of the AGM, attracting significant media and industry attention. An exceptional 24% of shareholders voted against the re-election of the Chair, with headlines describing the result as 'historic'. Engagement with BP is ongoing, and we are exploring options for escalation. We will update the Committee on progress as appropriate, noting that it is important we retain flexibility over the approach.

3.4 Border to Coast chairs the new IIGCC Working Group on Just Transition, which has commenced an engagement pilot with HDFC Bank in India. In March 2025, we met with HDFC Bank, along with RLAM, Schroders, Robeco, and LGPS Central, and were joined by the London School of Economics Just Transition Finance Lab and Asia Investor Group on Climate Change (AIGCC). The meeting introduced the concept of just transition, discussed the issue in an Emerging Markets context, and encouraged leadership from HDFC to integrate social inclusion, development, and carbon reduction objectives. The meeting was positive and engagement is ongoing.

3.5 In 2024, we joined the Good Work Coalition of investors, co-ordinated by ShareAction, and two of its engagement programmes on the Living Wage and Ethnicity Pay Gap reporting. During Q1, we were part of collaborative meetings with Curry's to request Real Living Wage accreditation and with SSP Group (a food and beverage company who own various brands including Camden Food Co, Millies cookies and Upper Crust) to request Ethnicity Pay Gap reporting.

3.6 Border to Coast is the co-lead for engagement with EasyJet as part of the IIGCC Net Zero Engagement Initiative. In May 2025, we met with management to cover climate targets and transition plans, including the viability and sustainability of alternative fuels. EasyJet's response so far has been positive, and we consider it a leader in the sector where decarbonisation is challenging.

3.7 In April 2025, Border to Coast supported collaborative questions asked at the AGMs of HSBC, Barclays, and Standard Chartered. HSBC was asked to publicly reaffirm its commitment to climate targets and policies that support its ambition to become a net zero bank by 2050. Barclays was asked to disclose its methodology for how its sustainable finance targets are quantified, and to set a target for the renewable power sector. Standard Chartered was asked to build on the granularity of its transition plan by outlining a strategy and target for financing more renewable power in Emerging Markets. A follow up meeting with Standard Chartered is arranged.

3.8 As part of our engagement escalation, Border to Coast publicly pre-declared our votes against management ahead of seven AGMs, including BP, Shell, Chevron, Cheniere Energy, Conoco Phillips, Phillips 66, and Glencore.

3.9 As part of the 'Waste and Water' priority engagement theme, we signed letters in April 2025 to washing machine manufacturers LG and Samsung. Organised by Nest, the investor letters request business strategy for compliance with French Law relating to microplastic filters on washing machines, and to extend this to other markets.

4 Voting

4.1 The 2025 proxy voting season got underway, with us implementing our updated Corporate Governance & Voting Guidelines. From this year, we expect companies that have exposure to high deforestation-risk commodities (for example, palm oil, soy, beef, and timber, paper and pulp) to take action to address those risks within their operations and supply chains. For companies that have such exposure, but either don't have adequate policies and processes in place to reduce their impact or are involved in severe deforestation-linked controversies, we will oppose the re-election of the Chair of the Sustainability Committee.

4.2 We voted at 123 meetings over the quarter, January to March.

4.3 A weekly update on our watchlist of 31 priority companies is provided to Partner Funds with all voting recommendations. All priority companies are notified of our voting decisions prior to the AGM.

4.4 We vote against the Chair of oil and gas companies that are not meeting our assessment framework which includes Transition Pathway Initiative (TPI) scores and Climate Action 100+ Net Zero Benchmark indicators. We also vote against the Chair of the sustainability committee at banks not meeting the climate voting framework. Between 1 April and 23 June, we voted against 19 oil and gas company Chairs and three bank sustainability committee Chairs.

5 RI strategy

5.1 We have a 3-year RI strategy covering four areas: integrating ESG, active ownership, industry engagement, and reporting and governance and engagement 3-year strategy. Development on the next long-term RI strategy and engagement strategy to be effective April 2026 began in June.

5.2 The annual RI & Stewardship and Climate Change reports have been prepared and in June went to our Board for final approval. The reports will be published in July.

5.3 Two RI Analysts joined the team during March, Ellie Walley and Shelley Sharma, both new roles. An offer has been accepted by an external candidate for a new role, RI Integration Manager, who is set to join at the start of August.

5.4 We maintained our signatory status to the Stewardship Code for the fourth consecutive year, reflecting our commitment to the high standards set out by the FRC for responsible investors. Moreover, Bedfordshire Pension Fund, Cumbria Pension Fund, Lincolnshire Pension Fund, and South Yorkshire Pensions Authority also achieved or maintained their status as signatories to the Code.

6 Reporting

6.1 Reports on RI and stewardship are produced and published on the website to publicly disclose our activities in this area. The quarterly stewardship reports produced by Border to Coast and Robeco, along with the voting reports, for the quarter ended 31 March 2025 can be found on our website.

7 Risks

7.1 RI is a core component of Border to Coast's investment approach and is integral to delivering on the objectives of our Partner Funds. The following risks have been considered in the context of this report:

7.2 Reputational Risk: There is a risk that failure to meet our stated RI commitments could damage our reputation with stakeholders and the wider market.

Mitigation: We maintain a long-term RI strategy and accompanying RI policies that are reviewed and updated to reflect evolving best practice. Our stewardship activities, voting records, and climate reporting are published on our website to ensure transparency and accountability.

7.3 Operational Risk: Errors or delays in ESG data reporting, voting execution, or engagement tracking could undermine the effectiveness of our RI activities. Mitigation: We have established governance processes for reporting and oversight. We monitor key RI risk indicators, such as missed votes and votes not aligned with policy, and report these quarterly.

7.4 Regulatory Risk: Non-compliance with FCA expectations or broader regulatory developments in ESG and stewardship could expose the firm to scrutiny or sanction.

Mitigation: Our RI activities are aligned with FCA requirements and industry codes, including the UK Stewardship Code. We engage proactively with regulatory consultations and adapt our policies accordingly.

8 Conclusion

8.1 Implementation of our engagement plan to support the priority engagement themes is progressing with direct engagement, collaborative engagement and that conducted by Robeco.

8.2 We continue to engage on policy issues through various forums and by responding to consultations.

8.3 The Committee is asked to note the report.

9 Author

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27 June 2025

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Agenda Item 10

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Appendix A

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Appendix B

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