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BCPP JOINT COMMITTEE

AGENDA

Venue:	**Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ**
Date:	**Tuesday, 25 November 2025**
Time:	**11.15 am**

Membership:

Chair:-

Cllr Christopher Kettle	Warwickshire 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 Daws	Tyne & Wear Pension Fund

Scheme Member Representatives

Lynda Bowen	East Riding LPB
Nicholas Wirz	Tyne & Wear LPB

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

RESTRICTED

At this point members of the Joint Committee are asked to consider whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act, 1972, paragraph 3 (Information relating to the financial or business affairs of any particular person).

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Questions from the Public
Border to Coast Joint Committee Meeting
25th November 2025

Question 1 - Mr M Ashraf

As-Salaam Alaikum

Good Morning Chair, Councillors, Directors and Officers,

First, despite knowing how timelines work, I would like to give my thanks that Border to Coast has divested from israeli government bonds.

The thought that some scheme members were directly enabling israels policies of live-streamed Genocide and Ethnic Cleansing against members of their own families continues to be too much, but your actions have partially ameliorated that suffering and for that I am grateful. I ask that you finish the task as layed out by the People's Petition in June 2025 and Divest from complicit israeli companies and armament companies that have enabled the live-streamed Genocide and Ethnic Cleansing that continues despite the ceasfire in Gaza and at a more slower pace in Jerusalem and the West Bank where supposedly there is no war but there continues to be occupation.

Given that the International Court of Justice (ICJ) has found it plausible that israel's acts could amount to Genocide and has ordered preventive measures, and that the UN Human Rights Council has documented numerous potential war crimes, the legal and reputational risks associated with holdings in israeli government bonds and companies complicit in these acts as well as armament companies have increased exponentially.

Could you detail the specific, proactive steps Border to Coast has taken to conduct enhanced due diligence on these specific holdings and how can the israeli government bonds divestment be made irreversible?

To reiterate, previous questions on this issue have been met with references to your general Responsible Investment policy and your engagement strategies. However, the scale and severity of the current live-streamed Genocide in Gaza demand more than mere gradual engagement.

Will Border to Coast make a clear and public commitment today to a systematic review of all such assets against the criteria of your own Environmental, Social and Governance factors and International Law, including the Rome Statute which is applicable via the United Kingdom's International Criminal Court Act of 2001, with a view to full divestment, as this now constitutes a clear and material financial risk?

Will Border to Coast immediately freeze and then reverse any investments in companies that do not abide by the UN Global Compact Principles, and the OECD Guidelines for Multinational Enterprises?

I will preface the following with my thanks to the chairs and secretary for the times when there has been more than three questions per meeting.

What roughly, is the amount of the, population, scheme members and investment funds of the now 18 regions of Border to Coast?

How will you ensure that your recent enlargement will not deleteriously effect your already very tiny public democratic engagement which currently stands, as per your protocol at 3 questions every three months for a population and scheme membership in the 10s of millions?

Instead how can you expand and deepen the public democratic engagement that something as simple as asking questions can bring?

Thank you in advance to the officers for taking the time to answer my question.

Question 2 – Ms. June Cattell

I would first like say how pleased I am that Border to Coast has decided that it should no longer invest in Israeli Bonds. This will be a relief to all the members many of whom believe their money should be in investments that take into account humanitarian principles and do no harm. I feel you have made an important step in making our funds more responsible and ethical.

You have said members that you are not and are not required to be an ethical organisation. Yet you do make ethical choices in your investments in relation to the information you have about for example, climate, arms, modern slavery, working conditions. You do have responsibilities under the human Rights act to consider these issues as well as issues such as illegal occupation, illegal military action, occupation and ethnic cleansing in your investment decisions.

It is time for organisations like yourselves to make a stand against the horrendous human rights abuses taking place in Palestine. The killings continue in Gaza and the West Bank, genocide is not over, Palestine is still occupied and Israel an apartheid state

I would like to draw Border to Coast's attention to the **Report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967 "From Economy of Occupation to the Economy of genocide" This report details how corporate entities such as pension funds are complicit morally and legally in the occupation, apartheid, genocide and ethnic cleansing in Palestinian lands.**

Have all of you who are responsible for investing the money of South Yorkshire members pensions read this report and considered your actions in relation to human rights abuses in Palestine and other other areas of conflict?

It refers to the UN Guiding Principles " The UN Guiding principles expect corporate entities to ensure that they are not implicated in human rights

violations by undertaking periodic human rights due diligence (HRDD) to identify concerns *and* adjust their conduct.[336] Additionally, in situations of armed conflict, occupation and other instances of widespread violence, corporate entities are expected to engage in heightened human rights due diligence throughout the period of the conflict. "

Has Border to Coast undertaken heightened human rights due diligence in relation to the arms companies it invests in that are selling arms to Israel and also the companies operating in the Occupied Palestinian territories.

The report reminds us that the United Nations General Principles apply to all corporate enterprises, "regardless of their size, sector, operational context, ownership and structure."[327] The responsibility of corporate entities for human rights violations and crimes under international law exists independently from that of States and irrespective of the action States do or do not take to ensure they respect human rights. Consequently, corporations must respect human rights even if a State where they operate does not, and they may be held accountable even if they have complied with the domestic laws where they operate.[328] In other words, compliance with domestic laws is not a defense to responsibility or liability. "

How is Border to Coast going to demonstrate its respect for International law and human rights and in line with its commitment to the UN Global Compact and comply with its guidance on responsible investment in conflict -affected and high risk areas.

https://www.un.org/unispal/document/a-hrc-59-23-from-economy-of-occupation-to-economy-of-genocide-report-special-rapporteur-francesca-albanese-palestine-2025/

https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FPeace_and_Business%2FGuidance_RB.pdf

Question 3 – Olwyn Hocking

The weight of responsibility borne by Chairs and Trustees of Pension Funds was highlighted in the Open Letter delivered to this month's World Pensions Summit (link here). It urges that "*the views and long-term interests of all savers, including those under 35, are heard and represented in key strategy decisions*." The BCPP Fossil Free campaign recently reminded Annual Conference attendees that current projections mean "*younger members face frightening temperature rises, excess mortality, less secure food and freshwater, rising seas and irreversible tipping points*".

Question: "What intergenerational fairness methodology does BCPP use when weighting outcomes of its investment strategy for members in different age cohorts? Are the outcomes for savers under 35 specifically noted as part of key strategy decisions, as requested in the Open Letter? If so, do they include the predicted unpleasant retirement outcomes for younger fund members, outlined above?”

Minutes of the Border to Coast Joint Committee

Wednesday, 24 September 2025 - Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ

Present Members: **Chair:**
Cllr Christopher Kettle, Warwickshire Pension Fund

Cllr Doug McMurdo (Vice Chair) Bedfordshire Pension Fund
Cllr Chris Fairs, Durham Pension Fund
Cllr Paul Hopton, East Riding Pension Fund
Cllr Ray Condell, Lincolnshire Pension Fund
Cllr Richard Tear, Surrey Pension Fund
Cllr Doug Rathbone, Cumbria Pension Fund
Cllr John Kabuye, Teesside Pension Fund
Cllr Roy Bowser, South Yorkshire Pensions Authority
Cllr Joyce Welsh, Tyne & Wear 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
Jo Kempton, Lincolnshire Pension Fund
Claire Haley, North Yorkshire Pension Fund
George Graham, South Yorkshire Pension Fund
Neil Mason, Surrey Pension Fund
Paul McCann, Tyne & Wear Pension Fund
Chris Norton, Warwickshire Pension Fund
Julien Nielson, East Riding Pension Fund
Oladapo Shonola, Warwickshire Pension Fund

Partner Fund Nominated Non Executive Directors: Cllr David Coupe, George Jabbour & David Coupe.

Border To Coast Representatives: Rachel Elwell – Chief Executive Officer
Milo Kerr - Head of Customer Relationship Management
Tim Manuel – Head of Responsible Investment
Ewan McCulloch - Chief Stakeholder Officer
Joe McDonnell – Chief Investment Officer

Secretariat: Chloe Knowles – South Yorkshire Pensions Authority

1 APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed everyone to the meeting.

Apologies were received from Angus Thompson (North Yorkshire), Donna Sutton (South Yorkshire), Ken Dawes (Tyne & Wear)

2 ELECTION OF JOINT COMMITTEE CHAIR

The Chair advised that during the pre-briefing of the Joint Committee, Officers voted himself (Cllr Christopher Kettle) as the new Chair of the Joint Committee as of today's date.

The Chair thanked the previous Chair, Cllr George Jabbour who was in office for eighteen months, noting he will continue to contribute to the committee. The Chair further thanked Paul Cooper from Durham Pension Fund for his contribution.

3 QUESTIONS FROM THE PUBLIC

Three questions were received by members of the public: Lesley Mountain representing BCPP Fossil Free, Olwyn Hocking and Richard Castle.

The Chair provided the responses prepared by the Border to Coast company in accordance with terms of the approach it takes in line with policies agreed by Partner Funds on the issues raised.

A full copy of the questions and responses are appended to the minutes.

4 MINUTES OF THE MEETING HELD ON 9 JULY 2025

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

RESOLVED – That the minutes of the meeting held on 09 July 2025 be agreed as a true record.

5 CALENDAR OF MEETINGS

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

It was noted that when the new funds are admitted to the partnership these dates may need to be amended as it has been identified that they clash with some of the new funds Authority meeting dates.

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

6 JOINT COMMITTEE BUDGET

Neil Mason, Chair of the Officer Operations Group, presented the report detailing the Joint Committee budget position for 2025/26.

It was explained that £15,003.36 was spent against a budget of £50,000 in 2025/26 which primarily relates to external legal costs incurred for the Border to Coast Governance Review and the facilitator costs for the Change and Transformation Workshop.

It was raised that consideration should be given to factoring in the Chair's expenses in the budget moving forwards. It was agreed that Officers will bring a paper to the next meeting to agree on, considering an appropriate allowance in line with the amount Chairs of Partner Funds committees are given.

Members questioned whether in the past the committee have generally over or under spent.

Neil Mason responded that generally the committee underspend, there has only been one occasion where there was an overspend due to obtaining some legal advice.
Members requested there be a reframing of scheme member expenses to better reflect the role of the joint committee budget and acknowledge that legal or third-party costs are being incurred from this budget.

RESOLVED: Members

a. **Noted the budget position for 2025/26.**
b. **Agreed for Officers to bring a paper to the next meeting to consider an allowance for the Chair of the committee.**

7 RESPONSIBLE INVESTMENT UPDATE

The Head of Responsible Investment presented the report which provided an update on the Responsible Investment (RI) activity and reporting of the company.

Members questioned how often Border to Coast review DPI and climate action change data to ensure it is still fit for purpose with reference to the 3-year Engagement Strategy.

The Head of RI responded that the data is robust and used on an ongoing basis, however there isn't a fixed cycle for reviewing these data sources. A Net Zero implementation plan is in place, and Border to Coast hope to revisit it in the next 1-2 years.

Members further questioned whether Border to Coast have any input into TPI and The Climate Action 100.The Head of RI responded that Border to Coast is a member of both initiatives. These initiatives are shaped by the membership which feeds into the decision making.

Members sought clarification on the alternative approaches available if engagement is not leading to desired outcomes.

The Head of RI responded that Border to Coast have published research supporting their engagement as a means to enact change. There were plans to further clarify escalation routes within their RI policies, focusing on effective ways to hold companies accountable. The aim is to promote accountability through constructive engagement and responsible stewardship, rather than divestment, which they do not consider an investment strategy.

Members probed whether our votes against resolutions were in isolation or part of a collaborative effort and whether Border to Coast are positioned as an influencer or shaper in this.

The Head of RI responded that Border to Coast vote in accordance with their guidelines alongside using other engagement tools, including collaborative initiatives with other investors. Where appropriate, Border to Coast also pre-declare their voting intentions to ensure companies clearly understand the rationale behind decisions. They are selective in their influence, prioritising areas where risks are most material and where they are best positioned to exert meaningful influence.

The Chair questioned whether we are truly having an impact through collaboration, particularly among institutional investors. They asked whether a collaborative approach is genuinely taking shape by default, and if it is effective. The Chair also noted that if pressure is growing, and we are the only ones taking a certain position, we risk remaining isolated.

The Head of RI responded that as long-term investors, our funds bring a perspective that may differ from that of companies with shorter-term outlooks. Through engagement, we ensure that the voice of the long-term investor is represented in strategic discussions.

A Member sought assurance on whether the committee had established a definitive timeline for reviewing our policy position.

The Head of RI responded that the decision rests with Border to Coast, but with consultation with Partner Funds, noting that the policies will also come to the Joint Committee for endorsement at its next meeting.
The CEO added that a workshop will be conducted with the committee prior to the meeting, noting that they have been successful in discussing views every year. As part of the due diligence process for candidate funds, Border to Coast reviewed their RI policies to ensure they align broadly with theirs and to date, have not identified any significant outliers.

A Member queried point 7.2 of the report, asking what the lowering of thermal coal power generation exclusion thresholds is intended to achieve, and how it might impact our investments.

The Member further questioned how this approach aligns with the global context, noting that countries such as China and India continue to rely heavily on coal-fired power generation, and how this policy guides our investment decisions, especially regarding companies sourcing materials from these regions.

The Head of RI responded that this is an exclusion based on the likelihood of company involvement. The potential impact of raising the threshold is limited, as it currently applies to only one company within the portfolio and represents a small holding.

RESOLVED – Members noted the report.

8 ANNUAL INVESTMENT PROPOSITION REVIEWS AND UPDATES

Kate McLaughlin-Flynn the Officer for Cumbria Pension Fund presented the report which sets out the key findings from Officers who undertook an annual review of the Alternatives and Global Real Estate propositions in September.

The Chair noted that the Head of Alternatives was in attendance and attends the meeting once or twice per year. The Head of Alternatives provided further context around the annual review.

RESOLVED – Members noted the report.

9 OVERVIEW OF POOLING PROGRESS

The Head of Customer Relationship Management gave 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.

10 UPDATE ON WIDER POOLING MATTERS

The Chief Executive Officer gave an update on wider pooling matters, in particular the LGPS: Fit for Future initiative that recommends the consolidation of LGPS assets into fewer, larger pools by April 2026.

Members discussed potential negative and positive impacts of the initiative and questioned officers on planned timelines, requirements and practical arrangements.

RESOLVED – Members noted the report.

11 AOB

Cllr Condell raised that within his pensions committee questions are being raised about what we are doing or what can we do to push back on the Governments direction on how pensions schemes are run and invested.

Asking whether there is a possibility of us coming together and raising joint legal challenge in the future. Cllr Condell requested a written response which he could share with his pensions committee.

It was agreed that Officers will collaborate with Border to Coast on this matter and provide a written response to Members. This will also be added as an AOB item to be discussed at the November meeting under confidential items, to give Members the opportunity to feedback.

The Chair raised that the Border to Coast Annual Conference will take place over the coming two days, noting it as a great opportunity to connect with other funds. The Chair announced that Chris Hitchin had come to the end of his term as Chair of Border to Coast and will not be attending future meetings.

Hegave thanks for everything he has achieved at Border to Coast as the Chair. The Chair also thanked John Holtby, a Partner Fund nominated Non-Executive Director, who has been on the committee for a considerable length of time, thanking him for his contribution.

Finally, the Chair welcomed John Lister, the incoming Chair of Border to Coast, to the committee.

CHAIR

BORDER TO COAST
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: **25th November 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 budget position for 2025/26.

2.0 2025/26 Joint Committee Budget

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

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 time of writing expenditure incurred for the year to date against this budget was £35,204.66. This primarily relates to external legal costs incurred for the Border to Coast Governance Review, the facilitator costs for the Change and Transformation Workshop and Secretariat support to the Joint Committee, from South Yorkshire Pensions Authority.

2.7 Other expenditure which will be incurred in the current year, includes

- Legal work to update the shareholder agreement following proposed addition of new Partner Funds.

- Travel and subsistence for the scheme member representatives on the Joint Committee.

3.0 Conclusion

3.1 For 2025/26 expenditure of £35,204.66 has been incurred against the £50,000 budget.

Report Author:

Renée Lindsay, renee.lindsay@southtyneside.gov.uk

Further Information and Background Documents:

N/A

Border to Coast Pensions Partnership Limited

Joint Committee

Date of Meeting: 25 November 2025

Report Title: Responsible Investment Policies Review

Report Sponsor: CIO – Joe McDonnell

1 Executive Summary

1.1 The Responsible Investment Policy (RI), Corporate Governance & Voting Guidelines (Voting Guidelines) and Climate Change Policy (collectively, The Policies) are reviewed annually and updated as necessary. The process for review includes the participation of Partner Funds to ensure that we operate with a unified voice. This paper covers the annual review of the three RI-related policies.

1.2 The Policies have been evaluated by Robeco. In doing this, they have considered best practice frameworks and market practice among other investors.

1.3 This year's review has been conducted in alignment with the RI Strategy and Engagement Strategy reviews. The most material proposed changes to the policies are: clarifications on our approach to engagement and escalation; tightening our thermal coal energy generation exclusion revenue thresholds; and introducing a nature-related voting priority list.

1.4 We propose that a three-year formal review cycle is now more appropriate for the RI Policy and Climate Change Policy. This will follow the existing governance process. The Corporate Governance & Voting Guidelines will continue to be reviewed annually to ensure they are fit for purpose ahead of each proxy season.

1.5 The annual review needs to be completed ahead of the 2025 proxy voting season, with The Policies approved and ready to be implemented. Partner Fund Officers have provided feedback on the proposed revisions. The Board reviewed The Policies on 13 November and approved with no feedback. Following Joint Committee discussion, The Policies are to be reviewed at Pension Committee meetings.

2 Recommendation

2.1 That the Joint Committee reviews and comments on the proposed revisions to the Responsible Investment Policy (Appendix 2), Corporate Governance & Voting Guidelines (Appendix 3), and Climate Change Policy (Appendix 4).

2.2 That the Joint Committee supports the move to a 3-yearly review cycle for the RI Policy and Climate Change Policy.

2.3 That the Joint Committee supports taking the revised policies to Pensions Committees to consider adoption in their own RI policies in line with industry best practice.

3 Annual review process

3.1 The Policies have been reviewed annually or when material changes need to be made. The annual review process this year commenced in July to ensure any revisions are in place ahead of the 2026 proxy voting season.

3.2 The current policies were evaluated by Robeco, our voting and engagement provider, considering the global context and shift in best practice, to determine how best practice has developed and identify emerging gaps in Border to Coast policy. The RI Team has compared The Policies against those of other asset managers and asset owners including Brunel, RLAM, Aviva, and Church of England, to determine developments across the industry.

3.3 Regular workshops have been held during the year for Partner Fund pension committees and the Joint Committee on RI issues. An RI Officer Operation Group (RI OOG) workshop was held on 8 September, where the initial considerations for proposed changes were shared.

3.4 Following the RI OOG workshop, one feedback focused on the rationale of the proposed 25% revenue threshold for the thermal coal power generation exclusion, including why this did not go further. The move to 25% completes the phased approach when the policy was introduced in 2023/24, which envisaged a tightening of the threshold over time to this level. Peer benchmarking also supports the 25% threshold. It also gives the opportunity for targeted engagement with holdings close to the threshold that were not previously in scope, such as RWE.

3.5 CRM has reported no further Partner Fund requests for specific policy changes.

3.6 On 29 October, the proposed changes to The Policies were presented to the Investment Committee, recommended Board approval subject to minor amendments which have been reflected. On 13 November, the Board reviewed and approved the proposed changes to The Policies with no further feedback.

3.7 Following discussion at the Joint Committee on 25 November, the expectation is then for Partner Funds to begin their internal process of aligning policies. The Policies need to be in place ahead of the 2026 proxy voting season.

4 RI Policy – key changes

4.1 This year's review has been conducted in alignment with the RI Strategy and Engagement Strategy reviews.

4.2 The exclusion approach has been reviewed as part of this annual review. Robeco suggested that the current 50% revenue threshold for thermal coal power generation exclusion is relatively high, with industry norms typically being around 25%, with Robeco having a 20% exclusion. The RI team's review confirmed this finding. We propose to lower the thermal coal power generation revenue threshold from 50% to 25% for public issuers in developed markets. This aligns with the original intent and expectation of this exclusion clause when it was introduced and brings it in line with the current revenue threshold for thermal coal extraction (also 25%). We propose to maintain our tiered approach to support a just transition and reduce the revenue threshold from 70% to 50% for public issuers in emerging markets.

4.3 Based on data as at August 2025, the proposed change to the revenue thresholds for thermal coal power generation brings an additional 21 developed market issuers and 11 emerging market issuers into scope for exclusion on top of 24 issuers excluded under the current revenue thresholds. Border to Coast currently holds one issuer that would become excluded, Eskom Holdings, held in the Multi Asset Credit fund. We have consulted with the portfolio manager and no concerns have been raised in relation to this change.

4.4 Last year, we updated The Policies to recognise deforestation as a climate issue. This helped close a gap with peers on nature related risks. This was an important first step in establishing a risk framework for nature and biodiversity. While most managers use deforestation data in voting, fewer have a comprehensive approach to nature risks. To make continued progress in our approach, we propose introducing a voting policy targeting a shortlist of nature priority companies. This would further embed nature into our RI and stewardship framework beyond deforestation, with scope for further development in future.

4.5 In response to Partner Fund interest and scrutiny, we have added commentary to further clarify our approach to engagement, escalation and divestment.

4.6 An outline of the policy changes is provided in Appendix 1: 'Summary of Key Policy Changes'. Red-line versions of the proposed policy changes are available in Appendices 2 to 4.

5 Voting Guidelines – key changes

5.1 Robeco reviewed the Voting Guidelines and found them fit for purpose. While they are reviewing their own policies ahead of next year, only minor updates are expected.

5.2 Robeco did suggest introducing a policy to explicitly address anti-ESG resolutions in the US. These are resolutions that appear to be pro-ESG but typically aim to reverse corporate commitments. We propose to assess these resolutions on a case-by-case basis. When we report on our level of support across all ESG-related shareholder resolutions, we will remove any resolutions identified as “anti-ESG” from the measure.

5.3 We propose a voting policy targeting nature priority companies, using the World Benchmarking Alliance Nature Benchmark to identify companies with weak management of nature related risks. Using a materiality lens, a shortlist of companies will be prioritised for further investigation. Like our human rights framework, we will independently assess governance, strategy, and action. Where credible action is lacking, e.g., poor disclosure, we will vote against the most accountable board member or the report and accounts.

5.4 In line with Robeco’s recommendations, we propose updates to our Voting Guidelines to include our approach to nature priority companies and a statement on anti-ESG resolutions.

6 Climate Change Policy - key changes

6.1 The Climate Change Policy has been reviewed by Robeco and the RI Team has compared against those of other asset managers and asset owners including Brunel, RLAM, Aviva, and Church of England, to determine developments across the industry. Robeco believe the policy is fit for purpose. They did identify three potential areas for further development in future, although these were viewed as optional: investments in climate solutions; nature, as a climate change issue requiring integration; and short-term climate risk scenario analysis. Taking this into account, the only proposed change is to consolidate our approach to exclusions across the policies. The change will ensure that exclusions are stated only in the RI Policy, rather than be duplicated across policies.

7 Future review cycle

7.1 The Policies have been formally reviewed each year, but they have reached a level of maturity where less frequent review is appropriate.

7.2 We propose moving to a three-year formal review cycle for the Responsible Investment Policy and Climate Change Policy, still following the existing governance process when reviewed. The Voting Guidelines will continue to be reviewed annually to ensure they remain aligned with market standards ahead of each proxy voting season. If significant issues arise, changes can be made outside the normal cycle, and we will maintain a tracker of Partner Fund feedback to ensure these are captured and considered at the next review.

7.3 Moving to a three-year formal review cycle for the Responsible Investment Policy and Climate Change Policy will provide a more stable governance environment, enabling the opportunity for more comprehensive and fundamental reviews rather than incremental changes. This approach aligns with our intention to undertake a broader governance review under the new partnership model in c2 years.

8 Impact Assessment

8.1 Any financial implications are in respect of implementation and fulfilment of the policies. The additional resources required to implement the new nature voting policy is negligible. Fewer than ten assessments are expected based on a materiality threshold.

8.2 The strengthening of the exclusion policy brings an additional 32 issuers (using August 2025 data) into scope for exclusion on top of the existing 24 issuers excluded under the current thermal coal power generation revenue thresholds. Border to Coast currently holds one new issuer that would be excluded.

9 Risks

9.1 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:

9.2 Reputational Risk: Failing to meet RI commitments or best practices may harm our reputation. Mitigation: We follow a long-term RI strategy and regularly update policies to reflect evolving standards.

9.3 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.

10 Conduct considerations

10.1 Market Impact: The proposed policy additions and amendments are intended to support market transparency. No adverse market impacts have been identified.

10.2 Customer Impact: The report sets out proposed changes to the RI policies to ensure our RI approach remains in step with best practice. Amendments are aligned with our RI strategy and aim to protect and enhance long term value for our customers.

10.3 Firm Impact: All activities are consistent with regulatory obligations and internal policies. Risks, including reputational risks associated with policy amendments, have been considered and mitigated through governance and adherence to our RI strategy.

11 Authors

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13 November 2025

12 Supporting documentation

Appendix 1: Summary of Key Policy Changes
Appendix 2: Revisions to Border to Coast Responsible Investment Policy
Appendix 3: Revisions to Corporate Governance & Voting Guidelines
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Important Information

Appendix 1: 2026 RI Policies Key Proposed Changes

2026 RI Policy – key changes

The proposed amendments to the RI policy are highlighted in the table below.

Section	Page	Type of Change	Summary of Change and Rationale
5. Integrating RI into investment decisions	4	Amendment	Thematic subsections for human rights and nature added to align with climate, which now follows these sections. Asset class guidance is reordered to improve consistency across listed equities, fixed income, and private markets.
5.2 Nature	5	Addition	Include commentary to reflect the new voting approach on nature priority companies. *"We address nature risks through engagement on issues like deforestation, resource management, and climate change. We integrate nature related risks into voting decisions, using benchmarks to identify priority companies, assess their governance, strategy and measures to address nature related risks, and vote accordingly where risks are poorly managed. Further detail on our voting approach is set out in our Corporate Governance & Voting Guidelines. "*
5.9 Externally Managed Assets	8 8	Amendment Amendment	Rename the section from External Manager Selection to Externally Managed Assets to better reflect its focus on RI practices rather than manager selection only. Remove reference to NZAM due to uncertainty around its status, replacing it with broader support for "collaborative initiatives on systemic issues."
6.2 Engagement	10 11	Addition Addition	Improve clarity of engagement definition consistent, most notably: *"We define company engagement as actively using our influence for business change or better disclosure. We believe there should be a point of difference with company management, with examples including letters or meetings to request changes to business strategy, governance, or capital expenditure, or requesting disclosure of metrics or policy not currently in the public domain.* *Whilst activity such as attending briefing calls and gathering information is important to investment management, and we collate this information, if there is no point of difference with company management, we do not report it as engagement. We also do not report engagement from collaborations that we are party to if we have not been actively involved. "* Clarify our role in engaging external managers to improve their RI and stewardship practices.
6.2.2 Escalation	12	Amendment	Clarify our stance on engagement and divestment. Most notably include the following: *"If the investment case has been fundamentally weakened, which may be the result of a company failing to address the risk or concern under engagement, the portfolio manager may decide to reduce or exit the position. This decision rests solely with the portfolio manager. "*
6.2.3 Exclusions	13	Amendment	Removed repetition of divestment wording and clarify that thermal coal and oil sands extraction and controversial weapons exclusions apply to both public and private markets. Whilst thermal coal power generation apply to public markets only.

	14	Amendment	Lowered thermal coal generation revenue thresholds from 50% to 25% for developed markets, and from 70% to 50% for emerging markets.
	14	Addition	Clarify our approach to dual-use components associated with controversial weapons, acknowledge data limitations in private markets which may lead to de minimis exposure. Also recognise potential short term exposures from fund transitions and timing of exclusion implementation.

2026 Voting Guidelines - key changes

The proposed amendments to the Voting Guidelines are highlighted in the table below.

Section	Page	Type of Change	Summary of Change and Rationale
Nature	16	Addition	Addition of our voting approach on nature priority companies, in step with the increasing focus and appetite for action on nature. *"Nature related risks arise in many forms, including land use change, habitat destruction, pollution, and water stress. Companies that fail to address these risks may face operational, reputational, and regulatory consequences. Such consequences can be detrimental to financial performance and, therefore, to long term shareholder value.* *If a company is identified as having poor management of nature related risks, we will consider voting against the most accountable board member or the approval of the report and accounts.* *We identify nature priority companies through the following steps:* *We establish any material exposure we have to company's scoring less than 10 out of 100 on the World Benchmarking Alliance's Nature Benchmark;* *We then conduct an independent assessment of companies meeting the above criteria The assessment looks at alignment to emerging frameworks like the Taskforce on Nature Related Financial Disclosures, any recent controversies related to nature and the level of board oversight regarding nature related risks.* *The results of the independent assessment highlight priority companies for which we will consider exercising votes as set out above.* *We place separate emphasis on companies with high exposure to deforestation risk commodities. Such commodities include palm oil, soy, beef, and timber, paper and pulp. We expect companies that have high exposure to deforestation risk commodities to take action to address those risks within their operations and supply chains.* *Our assessment of the quality of mitigating actions includes reference to external benchmarks, such as Forest500.* *For companies that have such exposure, and either do not have adequate policies and processes in place to reduce their impact or are involved in severe deforestation-linked controversies, we*

	16	Amendment	*will oppose the re-election of the Chair of the Sustainability Committee (or most appropriate agenda item) "* Remove deforestation voting approach from climate voting guidelines and included in the more appropriate nature subsection.
Shareholder Proposal	16	Addition	Addition highlights the rise in anti-ESG shareholder resolutions, reiterates that we assess resolutions on their own merits and account for them in how we report on our ESG voting record.

2026 Climate Change Policy - key changes

The proposed amendments to the Voting Guidelines are highlighted in the table below.

Section	Page	Type of Change	Rationale
5.1 Our Approach to Investing	8	Amendment	Removal of the specific exclusion threshold text to have one source of reference on all exclusions, in the RI Policy.
5.1 Our Approach to Investing	8	Amendment	Following feedback to consider that the pool will be Partner Funds primary source of advice, with feedback from Head of Advisory the following has been amended. *"Partner Funds retain responsibility for strategic asset allocation and setting their investment strategy, and ultimately their strategic exposure to climate risk. Our implementation supports Partner Funds to deliver on their fiduciary duty of acting in the best interests of beneficiaries."* to *"Partner Funds retain responsibility for setting their investment strategy, including their strategic exposure approach to climate risk. Border to Coast is responsible for implementing these strategies through appropriate investment solutions.."*

Appendix 2 – Revisions to Border to Coast Responsible Investment Policy

Responsible Investment Policy

This appendix outlines the proposed amendments to Border to Coast's Responsible Investment Policy, scheduled for release in January 2026. It highlights only the sections where changes have been made. For the current version of the Responsible Investment Policy, please refer to our website: Publications - Border To Coast - Reports.

Responsible Investment Policy

5. Integrating RI into investment decisions

5.1 Human Rights

When considering human rights issues, ~~we believe that all~~ companies should abide by the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises. Companies should have processes in place to both identify and manage human rights risks across their business and supply chain. We engage with companies on human rights as part of our social priority engagement theme, engaging on modern slavery and labour practices and human rights due diligence where companies operate in high-risk areas. We have incorporated considerations into how we exercise our votes at company meetings.

5.2 Nature

Nature and b~~B~~iodiversity loss is increasingly seen as posing a risk to financial markets. Over half of global GDP is dependent on nature-based services[1], and looking ten years out, six of the top ten global risks identified by the World Economic Forum are climate and environmental related. We address nature risks through engagement on issues like deforestation, resource management, and climate change. We also integrate nature related risks into voting decisions, using benchmarks to identify priority companies, assess their governance, strategy and measures to address nature related risks, and vote accordingly where risks are poorly managed. Further detail on our voting approach is set out in our Corporate Governance & Voting Guidelines.~~We currently address biodiversity issues through engagement with companies and governments on issues including deforestation, natural resource management and climate change.~~

~~Further detail on our voting approach is included in the Corporate Governance & Voting Guidelines~~

5.3 Climate change (no change to narrative -but reordered after thematic issues)

5.4 Asset Class Considerations

[1] World Economic Forum

Whilst the specific aspects and form of ESG integration and stewardship vary across asset classes, the overarching principles outlined in this policy are applied to all assets of Border to Coast. More information on specific approaches is outlined below.

5.5 Listed equities (Internally managed) (no change)

5.6 Fixed income (no change)

5.7 Private Markets (no change)

5.7 Real Estate (no change)

5.7 Externally Managed Assets~~External Manager Selection~~

RI is incorporated into the external manager appointment process including the request for proposal (RFP) criteria and scoring and the investment management agreements. The RFP includes specific requirements relating to the integration of ESG by managers into the investment process which includes assessing and mitigating climate risk, and their approach to engagement. We expect to see evidence of how material ESG issues are considered in research analysis and investment decisions. Engagement needs to be structured with clear aims, objectives and milestones.

Voting is carried out by Border to Coast for both internally and externally managed equities where possible and we expect external managers to engage with companies in alignment with the Border to Coast RI Policy and to support our Net Zero commitment.

The monitoring of appointed managers also includes assessing stewardship and ESG integration in accordance with our policies. All external fund managers are expected to be signatories or comply with international standards applicable to their geographical location. We encourage managers to become signatories to the UN-supported Principles for Responsible Investment[2] ('PRI') and will consider the PRI assessment results in the selection and monitoring of managers. We also encourage managers to make a firm wide net zero commitment and to join initiatives that drive industry wide collaboration on systemic issues~~the Net Zero Asset Manager initiative (NZAM) or an equivalent initiative~~. Managers are required to report to Border to Coast on their RI activities quarterly.

6.2 Engagement

We define company engagement as actively using our influence for business change or better disclosure. We believe there should be a point of difference with company management, with examples including letters or meetings to request changes to business strategy, governance, or capital expenditure, or requesting disclosure of metrics or policy not currently in the public domain.

~~The best way to influence companies is through engagement; therefore, Border to Coast will not divest from companies principally on social, ethical or environmental reasons. As responsible investors, the approach taken is to influence companies' governance standards,~~

[2] The UN-supported Principles for Responsible Investment (PRI) is the world's leading advocate for responsible investment enabling investors to publicly demonstrate commitment to responsible investment with signatories committing to supporting the six principles for incorporating ESG issues into investment practice.

~~environmental, human rights and other policies by constructive shareholder engagement and the use of voting rights.~~

The services of specialist providers may be used when necessary to identify issues of concern. Meeting and engaging with companies are an integral part of the investment process. As part of our stewardship duties, we monitor investee companies on an ongoing basis and take appropriate action if investment returns are at risk. Engagement takes place between portfolio managers and investee companies across all markets where possible.

Border to Coast has several approaches to engaging with investee holdings:

- Border to Coast ~~and all eleven Partner Funds are~~ is a member~~s~~ of the Local Authority Pension Fund Forum ('LAPFF'). Engagement takes place with companies on behalf of members of the Forum across a broad range of ESG themes.
- We seek to work collaboratively with other like-minded investors and bodies in order to maximise Border to Coast's influence on behalf of Partner Funds, particularly when deemed likely to be more effective than acting alone. This is achieved through actively supporting investor RI initiatives and collaborating with various other external groups e.g. LAPFF, the Institutional Investors Group on Climate Change, other LGPS pools and other investor coalitions.
- Due to the proportion of assets held in overseas markets it is imperative that Border to Coast is able to engage meaningfully with global companies. To enable this and complement other engagement approaches, Border to Coast use an external Voting and Engagement service provider. We provide input into new engagement themes which are considered to be materially financial, selected by the external engagement provider on an annual basis, and also participate in some of the engagements undertaken on our behalf.
- Engagement takes place with companies in the internally managed portfolios with portfolio managers and the Responsible Investment team engaging directly across various engagement streams; these cover environmental, social, and governance issues as well as UN Global Compact[3] breaches or OECD Guidelines[4] for Multinational Enterprises breaches.
- We expect external managers to engage with investee companies and bond issuers as part of their mandate on our behalf and in alignment with our RI policies. We recognise the importance of engaging directly with our external managers to support the development and improvement of their own stewardship practices. This includes encouraging stronger ESG integration, more effective engagement strategies, and transparent reporting on stewardship outcomes.

[3] UN Global Compact is a shared framework covering 10 principles, recognised worldwide and applicable to all industry sectors, based on the international conventions in the areas of human rights, labour standards, environmental stewardship and anti-corruption.

[4] OECD Guidelines for Multinational Enterprises are recommendations providing principles and standards for responsible business conduct for multinational corporations operating in or from countries adhering to the OECD Declaration on International and Multinational Enterprises.

Engagement conducted with investee holdings can be broadly split into two categories: engagement based on financially material ESG issues, or engagement based on (potential) violations of global standards such as the UN Global Compact or OECD Guidelines for Multinational Enterprises.

When engagement is based on financially material ESG issues, engagement themes and companies are selected in cooperation with our engagement service provider based on an analysis of financial materiality. Such companies are selected based on their exposure to the engagement topic, the size and relevance in terms of portfolio positions and related risk.

For engagement based on potential company misconduct, cases are selected through the screening of news flows to identify breaches of the UN Global Compact Principles or OECD Guidelines for Multinational Enterprises. Both sets of principles cover a broad variety of basic corporate behaviour norms around ESG topics. Portfolio holdings are screened on the validation of a potential breach, the severity of the breach and the degree to which management can be held accountable for the issue. For all engagements, SMART[5] engagement objectives are defined.

In addition, internal portfolio managers and the Responsible Investment team monitor holdings which may lead to selecting companies where engagement may improve the investment case or can mitigate investment risk related to ESG issues. Members of the Investment Team have access to our engagement provider's thematic research and engagement records. This additional information feeds into the investment analysis and decision making process.

We encourage companies to improve disclosure in relation to ESG and to report and disclose in line with the TCFD recommendations.

As a responsible investor we also engage with regulators, public policy makers, and other financial market participants on systemic risks to help create a stable environment to enhance long-term returns.

6.2.2. Escalation

Border to Coast believes that engagement and constructive dialogue with the companies in which we invest is more effective than excluding companies. If engagement does not lead to the desired result, Border to Coast will escalate engagement when required, including holding the board of directors and individual directors to account, which we believe to be the most effective consequence of an inadequate response.

The board is responsible for setting the company's strategy, overseeing risk, and for exercising accountability to shareholders. Companies whose boards are not responsive to shareholders may struggle to protect long-term value effectively. Votes against directors can demonstrate that a board is out of step with shareholders and may have tangible consequences for individuals, which can include potential removal from the board, reduced compensation, limited committee assignments, and fewer directorships at other firms.

- A lack of responsiveness to engagement by a company can result in:

[5] SMART objectives are: specific, measurable, achievable, relevant and time bound.

- conducting collaborative engagement with other institutional shareholders.
- writing to the chair of the board or director with oversight responsibility for the issue under engagement.
- registering concern by voting on related agenda items at shareholder meetings.
- registering concern by voting against the re-election of the chair of the board, or the chair or members of the committee with the closest oversight responsibilities.
- attending a shareholder meeting in person.
- making public statements.
- publicly pre-declaring our voting intentions ahead of AGMs.
- filing/co-filing shareholder resolutions.

If the investment case has been fundamentally weakened, which may be the result of a company failing to address the risk or concern under engagement, the portfolio manager may decide to reduce or exit the position. This decision rests solely with the portfolio manager.

Border to Coast will also escalate engagement on a sector basis, particularly where systemic and portfolio risks are concentrated, and the sector has been subject to significant collaborative engagement over a prolonged period. Sector engagement escalation includes strengthening the voting policy specifically for that sector and public pre-declaration of votes against management for companies in that sector.

~~Border to Coast believe that engagement and constructive dialogue with the companies in which it invests is more effective than excluding companies from the investment universe. However, if engagement does not lead to the desired result escalation may be necessary. A lack of responsiveness by the company can be addressed by conducting collaborative engagement with other institutional shareholders, registering concern by voting on related agenda items at shareholder meetings, attending a shareholder meeting in person, making a public statement, publicly pre-declaring our voting intention, and filing/co-filing a shareholder resolution. If the investment case has been fundamentally weakened, the decision may be taken to sell the company's shares.~~

6.2.3 Exclusions

~~We believe that using our influence through ongoing engagement with companies, rather than divestment, drives positive outcomes. This is fundamental to our responsible investment approach.~~ Our investment approach is not to divest or exclude entire sectors, however there may be specific instances when we will look to sell or not invest in some industries based on investment criteria and~~,~~ the investment time horizon~~, and the likelihood for success in influencing company strategy and behaviour.~~.

When considering whether a company is a candidate for exclusion, we do so based on the associated material financial risk of a company's business operations and whether we have concerns about its long-term viability. We initially assess the following key financial risks:

- regulatory risk
- litigation risk

- reputational risk
- social risk
- environmental risk

Thermal coal and oil sands:

Using these criteria, due to the potential for stranded assets and the significant carbon emissions of certain fossil fuels, we will not invest in public or private market companies~~ or illiquid assets~~ with more than 25% of revenues derived from the extraction of thermal coal and oil sands, unless there are exceptional circumstances. We will continue to monitor companies with such revenues for increased potential for stranded assets and the associated investment risk which may lead to the revenue threshold decreasing over time.

We will exclude public market companies in developed markets with >25~~50~~% revenue derived from thermal coal power generation. For public market companies in emerging markets the revenue threshold is >50~~70~~%, this is to reflect our support of a just transition towards a low-carbon economy which should be inclusive and acknowledge existing global disparities. We recognise that not all countries are at the same stage in their decarbonisation journey and need to consider the different transition timelines for emerging market economies. We will assess the implications of the exclusion policy and where we consider it appropriate, may operate exceptions.

Any public market companies excluded will be reviewed with business strategies and transition plans assessed for potential reinstatement.

Controversial weapons:

Certain weapons are considered to be unacceptable as they may have an indiscriminate and disproportional impact on civilians during and after military conflicts. Several International Conventions and Treaties have been developed intended to prohibit or limit their use. We will therefore not invest in companies contravening the Anti-Personnel Landmines Treaty (1997), Chemical Weapons Convention (1997), the Biological Weapons Convention (1975), and the Convention on Cluster Munitions (2008). It is illegal to use these weapons in many jurisdictions,

and in some countries legislation also prohibits the direct and indirect financing of these weapons. Therefore, as a responsible investor we will not invest in the following, where public and private market companies are contravening the above treaties and conventions:

- Companies where there is evidence of manufacturing such whole weapons systems.
- Companies manufacturing components that were developed or are significantly modified for exclusive use of such weapons.

~~Companies that manufacture "dual-use" components, such as those that were not developed or modified for exclusive use in cluster munitions, will be assessed and excluded on a case-by-case basis.~~

Dual-use components, in the context of controversial weapons, refer to goods or technologies that have the potential for both civilian and military applications. Where our screening identifies companies potentially involved in the manufacture of such components used in controversial weapons, we will endeavour to assess whether credible evidence supports such a link

We seek to apply our screening approach in private markets where practicable. However, we recognise that, due to limited disclosure and less accessible information on business involvement, de minimis exposure may occur.

Restrictions relate to the corporate entity only and not any affiliated companies. Any companies excluded will be monitored and assessed for progress and potential reinstatement at least annually. We aim to implement our exclusion list promptly and efficiently. However, short-term holdings may arise due to timing gaps between list updates and application, fund transitions, or legacy positions. These holdings are not intentional and are managed to ensure alignment as soon as is practicable with our exclusion policies.

9. Training and ~~Assistance~~Support

Border to Coast offers the Partner Funds training on RI and ESG issues. Where requested, ~~assistance~~ support is given on identifying ESG risks and opportunities in order to help develop individual fund policies and investment principles for inclusion in the Investment Strategy Statements.

The Investment Team receive training on RI and ESG issues with ~~assistance and~~ input from ~~our Voting & Engagement Partner~~ the RI team and other experts where required. Training is also provided to Border to Coast colleagues, the Board and the Joint Committee as and when required.

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Appendix 3 – Revisions to Corporate Governance & Voting Guidelines

Corporate Governance & Voting Guidelines

This appendix outlines the proposed amendments to Border to Coast's Corporate Governance & Voting Guidelines , scheduled for release in January 2026. It highlights only the sections where changes have been made. For the current version of the Corporate Governance & Voting Guidelines, please refer to our website: Publications - Border To Coast - Reports.

Corporate Governance & Voting Guidelines

Shareholder Proposals

We will assess shareholder proposals on a case-by-case basis. Consideration is ~~will be~~ given as to whether the proposal reflects Border to Coast's Responsible Investment policy, is balanced and worded appropriately, and supports the long-term economic interests of shareholders.

Shareholder proposals are an important tool to improve transparency. Therefore, we will, when considered appropriate, support resolutions requesting additional reporting or reasonable action that is in shareholders' best interests on material business risk, ESG topics, climate risk and lobbying.

We will generally vote in favour of shareholder resolutions that are aligned with the objectives of the Paris climate agreement, taking a 'comply or explain' approach, publicly disclosing our rationale if we vote against.

We will generally vote in favour of shareholder proposals that ask companies to mitigate deforestation risks, taking a 'comply or explain' approach, publicly disclosing our rationale if we vote against.

Some shareholder proposals can appear to address environmental or social issues, but in practice seek to roll back elements of corporate practices and commitments. While we assess each proposal on its individual merits and vote accordingly, where we identify such resolutions, we will exclude them from our environmental and social related voting record.

Climate change

Climate change is a systemic risk which poses significant investment risks, but also opportunities, with the potential to impact long-term shareholder value. We believe it is vital we fully understand how companies are dealing with this challenge, and feel it is our duty to hold the boards of our investee companies to account.

Our primary objective from climate related voting and engagement is to encourage companies to adapt their business strategy in order to align with a low carbon economy and reach net zero by 2050 or sooner. The areas we consider include climate governance; strategy and Paris alignment; command of the climate subject; board oversight and incentivisation; TCFD disclosures and scenario planning; scope 3 emissions and the supply chain; capital allocation alignment, climate accounting, a just transition and exposure to climate-stressed regions.

For companies in high emitting sectors that do not sufficiently address the impact of climate change on their businesses, we will oppose the agenda item most appropriate for that issue. To that end, the nomination of the accountable board member takes precedence. Companies that are not making sufficient progress in mitigating climate risk are identified using recognised industry benchmarks including the Transition Pathway Initiative ('TPI'), the Climate Action 100+ ('CA100+') Net Zero Benchmark and the Urgewald Global Coal Exit List. We use TPI scores and will vote against the Chair (or relevant agenda item) where companies are scored 2 or lower, and for Oil and Gas companies scoring 3 or lower, unless more up to date information is available. Where a company covered by CA100+ Net Zero Benchmark fails indicators of the Benchmark, which includes a net zero by 2050 (or sooner) ambition, short, medium and long-term emission reduction targets, and decarbonisation strategy, we will also vote against the Chair of the Board.

Additionally, an internally developed framework is used to identify companies with insufficient progress on climate change and not covered by the industry benchmarks.

Where management put forward a 'Say on Climate' resolution, we will vote against the agenda item if, following our analysis, we believe it is not aligned with the Paris Agreement.

~~We expect companies that have high exposure to 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 (or most appropriate agenda item). Assessments of the quality of mitigating actions are based on external benchmarks such as the Forest500.~~

Nature

Nature related risks are systemic and pose one of the most significant long term threats to global economic stability.

Nature related risks arise in many forms, including land use change, habitat destruction, pollution, and water stress. Companies that fail to address these risks may face operational, reputational, and regulatory consequences. Such consequences can be detrimental to financial performance and, therefore, to long-term shareholder value.

If a company is identified as having poor management of nature related risks, we will consider voting against the most accountable board member or the approval of the report and accounts.

We identify nature priority companies through the following steps:

- We establish any material exposure we have to company's scoring less than 10 out of 100 on the World Benchmarking Alliance's Nature Benchmark;
- We then conduct an independent assessment of companies meeting the above criteria The assessment looks at alignment to emerging frameworks like the

Taskforce on Nature Related Financial Disclosures, any recent controversies related to nature and the level of board oversight regarding nature related risks.

- The results of the independent assessment highlight priority companies for which we will consider exercising votes as set out above.

We place separate emphasis on companies with high exposure to deforestation risk commodities. Such commodities include palm oil, soy, beef, and timber, paper and pulp. We expect companies that have high exposure to deforestation risk commodities to take action to address those risks within their operations and supply chains.

Our assessment of the quality of mitigating actions includes reference to external benchmarks, such as Forest500.

For companies that have such exposure, sand either do not 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 (or most appropriate agenda item).

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Appendix 4 – Revisions to Climate Change Policy

Climate Change Policy

This appendix outlines the proposed amendments to Border to Coast's Climate Change Policy, scheduled for release in January 2026. It highlights only the sections where changes have been made. For the current version of the Climate Change Policy, please refer to our website: Publications - Border To Coast - Reports.

Climate Change Policy

5.1 Our approach to investing

~~We believe that c~~Climate change ~~should be~~is systematically integrated into our investment decision making process to identify related risks and opportunities. This is critical to our long-term objective of improving investment outcomes for our Partner Funds.

Border to Coast ~~offers~~ works with Partner Funds to provide a variety of internally and externally managed investment funds covering a wide-ranging set of asset classes with different risk-return profiles. ~~Partner Funds then choose the funds which support their strategic asset allocation.~~

Partner Funds retain responsibility for setting their investment strategy, including their strategic exposure approach to climate risk. Border to Coast is responsible for implementing these strategies through appropriate investment solutions.
~~Partner Funds retain responsibility for strategic asset allocation and setting their investment strategy, and ultimately their strategic exposure to climate risk. Our implementation supports Partner Funds to deliver on their fiduciary duty of acting in the best interests of beneficiaries.~~

We consider climate change risks and opportunities in the process of constructing and developing investment funds. Engaging with our investee companies and fund managers is a key lever we will use to reach our Net Zero goals, but we also recognise the role of screening, adjusting portfolio weights, and tilted benchmarks in decarbonising our investments.

Climate change is also considered during the external manager selection and appointment process. We monitor and challenge our internal and external managers on their portfolio holdings, analysis, and investment rationale in relation to climate-related risks.

We monitor a variety of carbon metrics, managing climate risk in portfolios through active voting and engagement, whilst also looking to take advantage of the long-term climate-related investment opportunities.

We believe in engagement rather than divestment and that by doing so can effect change at companies. Our investment approach is not to divest or exclude entire sectors, however there may be specific instances when we will look to sell or not invest in some industries based on investment criteria, the investment time horizon and if there is limited scope for successful engagement. When considering whether a company is a candidate for exclusion, we do so based on the associated material financial risk of a company's business operations and whether we have concerns about its long-term viability.

Following these principles, our Responsible Investment Policy sets out our exclusions policy on issuers deriving revenue from the extraction of thermal coal and oil sands and revenue from thermal coal power generation. The Responsible Investment Policy is available on our website.

~~Using these criteria, due to the potential for stranded assets, and the significant carbon emissions of certain fossil fuels we will not invest in public market companies or illiquid assets with >25% of revenue derived from thermal coal and oil sands, unless there are exceptional circumstances.~~

~~We will exclude public market companies in developed markets with >50% revenue derived from thermal coal power generation. For companies in emerging markets the revenue threshold is >70%, this is to reflect our support of a just transition towards a low-carbon economy which should be inclusive and acknowledge existing global disparities. We recognise that not all countries are at the same stage in their decarbonisation journey and need to consider the different transition timelines for emerging market economies. We will assess the implications of the exclusion policy and where we consider it appropriate, may operate exceptions.~~

~~Any public market companies excluded will be reviewed with business strategies and transition plans assessed for potential reinstatement.~~

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