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).