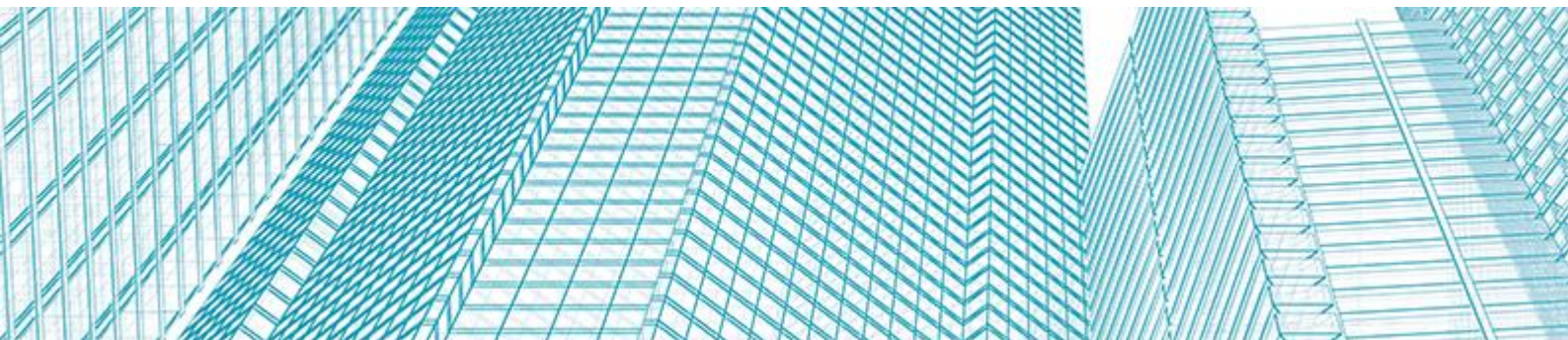


Border to Coast UK Listed Equity Fund



Proxy Voting Report

Period: October 01, 2019 - December 31, 2019

Votes Cast	176	Number of Meetings	17
For	168	With Management	166
Withhold	0	Against Management	10
Abstain	0	Other	0
Against	8		
Other	0		
Total	176	Total	176

In 29% of meetings we have cast one or more votes against management recommendation.

General Highlights

Environmental Shareholder Resolutions Encompass Various Shades of Green

The risks associated with the energy transition and physical impacts of climate change have put the energy sector under greater scrutiny in recent years. As a result, oil majors and utilities companies have increasingly been targeted by shareholder activism calling upon them to properly address environmental issues linked to their operations. This activism most commonly takes the form of shareholder proposals submitted for a company's annual general meeting.

Growing concerns around the impact of climate change have also led to a shift in investors' voting approaches. For instance, increased collaboration amongst investors has led to a convergence of requests put forth to their issuers, starting from climate risks disclosure, to emission reduction targets, climate stress testing and climate risk governance. Similarly, the recommendations of the Task Force of Climate-related Financial Disclosures published in 2017 have become a reference point for engagement on climate issues and more broadly on ESG issues.

The increased pressure from investors using voting rights has also contributed to companies anticipating shareholders' concerns and addressing them through different channels outside proxy statements, which has coincided with a rise in the direct engagement between investors and companies. This increasing level of companies' responsiveness has concurrently contributed to a decline in the overall level of shareholders proposals submitted. For example, the most recent proxy season in the US saw the lowest number of shareholder proposal submissions in the last five years, from a high of 549 in 2015 to 420 in 2019.

This trend is in part explained by the varying means for companies to address shareholder concerns. In 2018 US proxy season, 48% of filed environmental proposals were withdrawn, while only 37% of filed proposals went to a vote. Historically, these figures were reversed, as a greater proportion of proposal would go to a vote compared to proposals that were withdrawn. However, given that engagement between institutional shareholders and companies has increased, it is likely that the decline in proposals filings could be related to discussions and engagement outside of the proxy process.

In the end, environmental issues are increasingly scrutinized by shareholders and corresponding shareholder resolutions can expect a growing level of support, as investors encourage more companies to improve disclosures and practices on such issues.

Voting Highlights

BHP Group Plc - 11/07/2019 – United Kingdom

Proposal: Shareholder Proposal Regarding Suspension of Industry Association Memberships

BHP Group Ltd operates as an international resources company. The Company offers mineral exploration and production, including coal, iron ore, gold, titanium, ferroalloys, nickel, and copper concentrate, as well as petroleum exploration, production, and refining.

Shareholder proposals on climate-related topics can vary greatly in their approach. Most have the same underlying goal – improving disclosure, accountability, and alignment of action with climate goals. Especially in some sectors, shareholders see climate change and company responses to it as a material financial risk and opportunity. BHP Group, the mining giant, operates in one of these high-impact sectors and is subject to much scrutiny due to its size and influence.

At the 2019 AGM, shareholders filed a resolution asking the company to review their memberships in industry associations and suspend those whose goals and actions are not aligned with the Paris Agreement on climate change. We supported the proposal as alignment with the Paris Agreement is an important measure of climate readiness, and the resolution seeks to strengthen responsible lobbying practices. In particular, the resolution would help ensure consistency between company action and the political and industry influence it can exert.

Without a doubt, many shareholders, including ourselves, perceived BHP to already be a leader in responsible lobbying in its sector. In 2017, the company published its first industry association review in response to a shareholder proposal similar to the one seen this year. As a consequence of that report, BHP terminated its membership of the World Coal Association, and lobbied two further high-profile associations to develop new climate positions. That proposal demonstrated how shareholders' requests can often provide the impetus for companies to become leaders in their own right.

Further, BHP, of its own volition, re-conducted its industry association membership analysis, with a report published in December 2019. The report did not lead to further suspensions of memberships, but did identify material misalignments, which BHP committed to resolving through engagement. Nonetheless, at the time of the vote, this report was not published yet, and we sought to underline the importance of conducting such an analysis thoroughly by voting in favor of the resolution.

Votes Against Management

In the following instances, Border to Coast Pension Partnership voted against the recommendation of management at the shareholder meeting. In each instance where a vote against management has been cast, the rationale for the vote is also provided.

Issuer Name	Meeting Date	Proposal Description	Management Recommendation	Vote Decision	With Or Against Management	Vote Note	Meeting Type
Ashmore Group	10/18/2019	Appointment of Auditor	For	Against	Against Management	Audit fees are excessive. The tenure of the auditor is excessive.	Annual
Ashmore Group	10/18/2019	Authority to Set Auditor's Fees	For	Against	Against Management	Audit fees are excessive. The tenure of the auditor is excessive.	Annual
Ashmore Group	10/18/2019	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Associated British Foods plc	12/6/2019	Elect Michael G. A. McLintock	For	Against	Against Management	The nominee serves as Chairman of the Nominating Committee and the board lacks sufficient diversity.	Annual
Associated British Foods plc	12/6/2019	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
BHP Group Plc	10/17/2019	Elect Ken N. MacKenzie	For	Against	Against Management	The nominee is the Chair of the board and the company has not	Annual

BHP Group Plc	10/17/2019	Shareholder Proposal Regarding Facilitating Nonbinding Proposals	Against	For	Against Management	put the dividend policy up for vote. Routine proposal in Market.	Annual
BHP Group Plc	10/17/2019	Shareholder Proposal Regarding Suspension of Industry Association Memberships	Against	For	Against Management	Strengthens alignment with Paris Climate Accord and responsible lobbying practices.	Annual
Ferguson Plc.	11/21/2019	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Hays plc	11/13/2019	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual

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