



QUARTERLY STEWARDSHIP REPORT Q1 2026

Reporting period: 1 January 2026 – 31 March 2026

OUR PARTNER FUNDS



QUARTERLY HIGHLIGHTS

VOTING OVERVIEW

We voted at 333 meetings, comprising 2,466 agenda items.

ENGAGEMENT OVERVIEW

There were 443 engagements with companies.

JUST TRANSITION OVERLAY

Border to Coast published a [Just Transition Overlay](#) outlining how we integrate financially material social risks and opportunities of the energy transition, which we believe are essential aspects of managing systemic risks and preserving long-term value.

The overlay covers investment governance, capital allocation, engagement, voting, and reporting, and brings together Border to Coast's approach across asset classes. It reflects much of the new NZIF Supplementary Guidance on Just Transition, which Border to Coast helped to develop as co-chair of the IIGCC working group.

UPDATED RI POLICIES

For 2026, we introduced a targeted approach to nature related risks in our Voting Guidelines. Using independent benchmarks, we identify companies with potentially weak governance and management of nature risks. We review oversight, strategy, and action, and where credible progress appears lacking (including poor disclosure or misalignment with emerging frameworks), we vote against the most relevant board member or the report and accounts. This builds on our existing deforestation risk policy and considers nature

risks more broadly within our stewardship approach. You can find our Responsible Investment Policy, Climate Change Policy, and Corporate Governance and Voting Guidelines [here](#).

INDUSTRY CONSULTATIONS

In January, we responded to the Transition Pathway Initiative's consultation on its Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) framework, and shared our views on proposed structural and methodological changes. We advocated enhancements to better support our investment objectives, including the introduction of additional metrics, more granular data, and an updated methodology for assessing countries' climate performance.

OUR PEOPLE

Tim Manuel, Head of Responsible Investment, and Teju Akande, Climate Change Manager, joined our CEO at Lambeth Palace for the launch of the UK EMDE Investor Taskforce's *'Baku to Belem and Beyond'* report, led by the Church of England Pensions Board. Rachel Elwell, our CEO, is a member of the Taskforce's Leadership Group. The report draws on extensive industry consultation and interviews with asset owners to identify practical measures that could help unlock greater investment in EMDE transition finance in support of long-term investment returns.

Colin Baines, our Stewardship Manager, joined a ShareAction and Pensions for Purpose webinar panel on the importance of proxy voting and board accountability. He also presented to global staff at the UN Environment Programme Finance Initiative on Just Transition as it relates to the banking sector.



INDUSTRY HIGHLIGHTS

US POLITICAL ENVIRONMENT

The US withdrew from a range of international organisations including the UNFCCC, IPCC and IRENA, and formally exited the Paris Agreement for a second time. The move reflects a broader shift in policy direction, with the administration citing misalignment with national interests.

At the same time, domestic developments highlight continued polarisation. Courts have allowed major offshore wind projects to resume after federal intervention, while a Texas judge struck down legislation targeting investment firms accused of “boycotting” fossil fuel companies. Together, these developments underscore an increasingly fragmented policy and legal environment for investors.

SUSTAINABILITY REPORTING DEVELOPMENTS

The UK government released its final Sustainability Reporting Standards (UK SRS), which are closely aligned with international standards. While currently voluntary, the government signaled that mandatory adoption remains under consideration, with the FCA already consulting on requirements for listed companies and potential expansion to private firms.

Globally, reporting frameworks continue to evolve. China introduced new corporate climate disclosure standards, Hong Kong expanded its sustainable finance taxonomy to include transition and adaptation, and Korea confirmed plans to

implement mandatory sustainability reporting from 2028, reinforcing a broader trend towards standardisation.

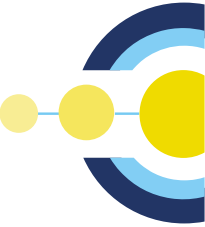
NET ZERO ASSET MANAGERS INITIATIVE

The Net Zero Asset Managers initiative relaunched following a one-year pause, with more than 250 signatories. The updated framework reflects efforts to navigate increased political and regulatory scrutiny, particularly in the US, which had contributed to member withdrawals.

The revised commitment places greater emphasis on fiduciary duty and flexibility, removing explicit reference to achieving net zero by 2050 while retaining alignment with Paris temperature goals. Signatories are expected to set their own targets and implement stewardship strategies to address material climate risks and opportunities.

EU OMNIBUS PACKAGE

EU member states approved the “Omnibus I” package, significantly scaling back sustainability reporting and due diligence requirements under existing regulations. The revisions aim to reduce the compliance burden on companies, marking a notable recalibration of the EU’s sustainability framework while maintaining its overarching policy direction.



VOTING OVERVIEW

During the quarter we prepared our Priority Voting List ahead of peak voting season, comprising companies from our Top 40 emitters that fail our requirements on transition plans, and companies on our Human Rights and Nature Watchlists. New for 2026, the Nature Watchlist selects laggards from the World Benchmarking Alliance's Nature Benchmark to be internally assessed pre-AGM. Assessments will focus on evaluating companies' approaches to mapping and managing their nature-related dependencies and impacts.

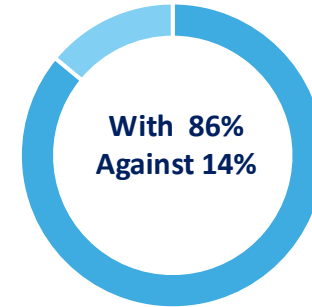
The first case study this quarter looks at Imperial Brands, a UK headquartered tobacco company included on our Human Rights Watchlist due to a supply chain controversy in Malawi.

The second case study is AstraZeneca, a multinational pharmaceutical company that was the first company to be subject to our new Nature Assessment.

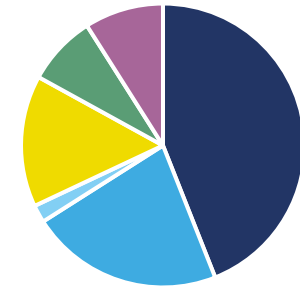
AGENDA ITEMS ¹



VOTES WITH AND AGAINST MANAGEMENT ¹



VOTES AGAINST BY CATEGORY ¹

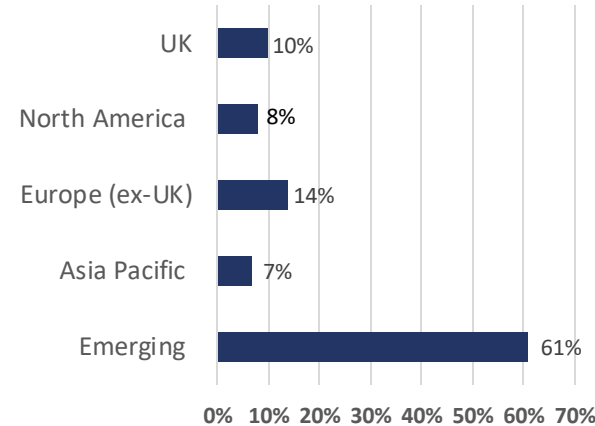


| | |
|------------------------|-----|
| Board Related: | 44% |
| Audit/Financials: | 22% |
| Capital Management: | 2% |
| Executive Pay: | 15% |
| Shareholder Proposals: | 8% |
| Other | 9% |

MEETINGS VOTED ON ¹



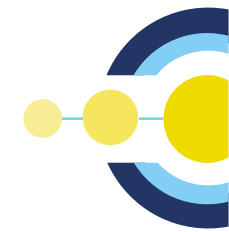
VOTING ACTIVITY BY REGION ¹



¹ Source: Border to Coast Internal Voting Database as at 31/03/2026

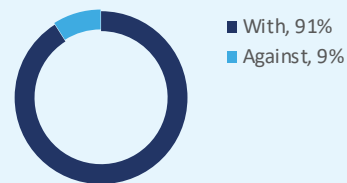
VOTING BY FUND

UK AND GLOBAL EQUITIES



UK LISTED EQUITY FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|-----|
| Board Related: | 13% |
| Audit/Financials: | 50% |
| Capital Management: | 0% |
| Executive Pay: | 0% |
| Shareholder Proposals: | 0% |
| Other: | 37% |

MEETINGS 6
ITEMS VOTED 86

FUND SIZE
£3.4BN²

UK LISTED EQUITY ALPHA FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

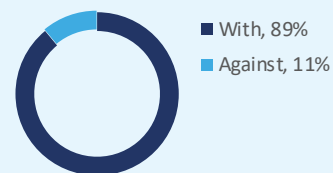
| | |
|------------------------|-----|
| Board Related: | 12% |
| Audit/Financials: | 32% |
| Capital Management: | 0% |
| Executive Pay: | 16% |
| Shareholder Proposals: | 0% |
| Other: | 40% |

MEETINGS 20
ITEMS VOTED 269

FUND SIZE
£0.9BN²

OVERSEAS DEVELOPED MARKETS EQUITY FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

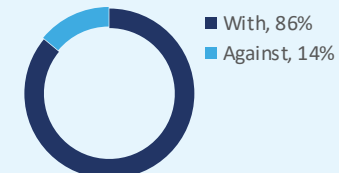
| | |
|------------------------|-----|
| Board Related: | 49% |
| Audit/Financials: | 27% |
| Capital Management: | 0% |
| Executive Pay: | 6% |
| Shareholder Proposals: | 16% |
| Other: | 2% |

MEETINGS 42
ITEMS VOTED 614

FUND SIZE
£9.2BN²

GLOBAL EQUITY ALPHA FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|-----|
| Board Related: | 40% |
| Audit/Financials: | 21% |
| Capital Management: | 1% |
| Executive Pay: | 17% |
| Shareholder Proposals: | 11% |
| Other: | 10% |

MEETINGS 62
ITEMS VOTED 528

FUND SIZE
£4.3BN²

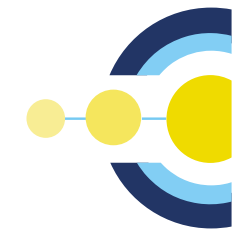


¹ Source: Border to Coast Internal Voting Database as at 31/03/2026

² Note: Fund Sizes as at 31/03/2026

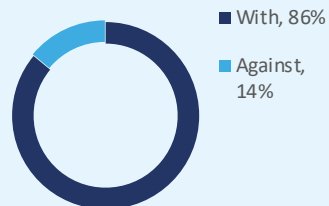
VOTING BY FUND (CONT)

EMERGING MARKETS EQUITIES, LISTED ALTERNATIVES AND MULTI FACTOR



EMERGING MARKETS EQUITY FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|-----|
| Board Related: | 33% |
| Audit/Financials: | 6% |
| Capital Management: | 6% |
| Executive Pay: | 39% |
| Shareholder Proposals: | 0% |
| Other: | 16% |

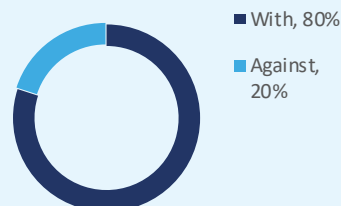
MEETINGS ITEMS VOTED

26 110

FUND SIZE
£1.5BN²

EMERGING MARKETS EQUITY ALPHA FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|-----|
| Board Related: | 44% |
| Audit/Financials: | 26% |
| Capital Management: | 1% |
| Executive Pay: | 13% |
| Shareholder Proposals: | 5% |
| Other: | 11% |

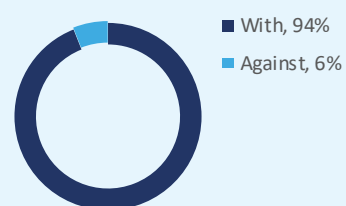
MEETINGS ITEMS VOTED

60 423

FUND SIZE
£1.0BN²

LISTED ALTERNATIVES FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|------|
| Board Related: | 100% |
| Audit/Financials: | 0% |
| Capital Management: | 0% |
| Executive Pay: | 0% |
| Shareholder Proposals: | 0% |
| Other: | 0% |

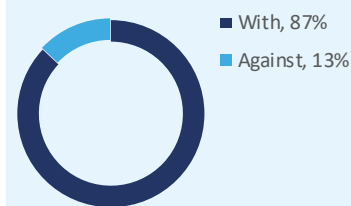
MEETINGS ITEMS VOTED

3 18

FUND SIZE
£0.9BN²

MULTI FACTOR EQUITY INDEX FUND

VOTES WITH AND AGAINST MANAGEMENT¹



VOTES AGAINST BY CATEGORY

| | |
|------------------------|-----|
| Board Related: | 49% |
| Audit/Financials: | 20% |
| Capital Management: | 2% |
| Executive Pay: | 16% |
| Shareholder Proposals: | 9% |
| Other: | 4% |

MEETINGS ITEMS VOTED

114 1,374

FUND SIZE
£3.1BN²



¹ Source: Border to Coast Internal Voting Database as at 31/03/2026

² Note: Fund Sizes as at 31/03/2026

VOTING HIGHLIGHTS

IMPERIAL BRANDS

Imperial Brands is a multinational tobacco company manufacturing cigarettes and cigars as well as Next Generation Products (NGPs) including vapes.

WHAT DID WE DO?

We voted against the re-election of the Chair of the Sustainability Committee after assessing a serious human rights-related controversy involving the company.

OUR VIEW:

A range of alleged supply chain labour abuses, including unsafe working conditions and child labour, have led to a large group of Malawian farmers being represented against Imperial Brands in a legal case which is proceeding to trial.

Due to the limits of tobacco traceability in Malawi – stemming from the use of third-party leaf merchants – the company claims that the farmers in question cannot prove that their tobacco has been purchased by Imperial, implicitly acknowledging that they cannot prove the opposite.

Given the widespread nature of labour abuses in Malawian tobacco farming, combined with the limited traceability of Malawian tobacco, Imperial's failure to implement supply chain oversight sufficient to prove the fair treatment of their supplier farmers has exposed the company to potentially serious legal risk and the possibility of high compensation costs.

VOTING OUTCOME:

The re-election of the Sustainability Committee Chair was opposed by 6% of shareholders. We wrote to the company ahead of the AGM to advise of the rationale for our vote.

ASTRAZENECA PLC

AstraZeneca is a multinational pharmaceutical company headquartered in the UK.

WHAT DID WE DO?

We supported the re-election of the Chair of the Sustainability Committee after the company passed our internal Nature Assessment.

OUR VIEW:

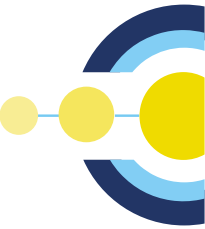
The World Benchmarking Alliance's Nature Benchmark indicated that AstraZeneca's assessment of its nature-related dependencies and risks is limited, and that it does not assess its impacts on nature. These conclusions are supported by the company's failure to meet any sub-indicators of Nature Action 100's indicator 2 (Assessment).

However, the company's reporting shows it has identified its main nature related dependencies and impacts having conducted a LEAP assessment and a double materiality assessment in 2024. Findings are being used to understand the company's biodiversity impacts and to create biodiversity action plans for certain manufacturing sites. The company also tracks and reports performance against targets set for the most material nature-related issues facing the industry: pharmaceutical waste in waterways, biodiversity impact of sourcing, and water use in manufacturing. Performance against these targets has been strong.

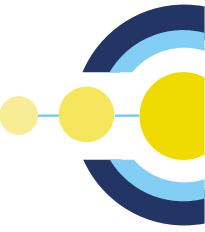
Though the assessment and disclosure of nature risks could be deepened and expanded into a more formal strategy over time, the company's current progress and trajectory meant that a vote against management was not considered necessary in 2026.

VOTING OUTCOME:

The re-election of the Chair of the Sustainability Committee was supported by 99% of shareholders.



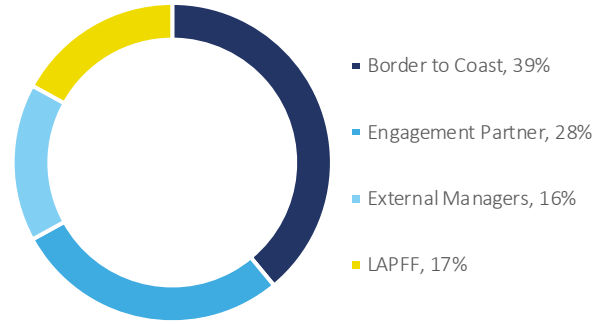
ENGAGEMENT OVERVIEW



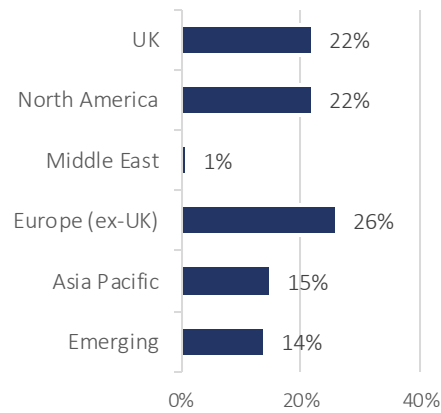
TOTAL ENGAGEMENTS³



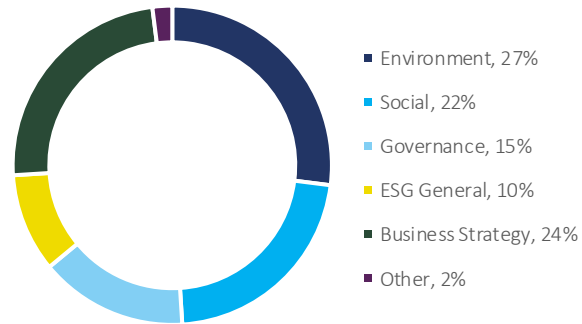
ENGAGEMENT LEAD³



ENGAGEMENT ACTIVITY BY REGION³



ENGAGEMENT TOPIC³



³Source: Border to Coast Internal Engagement Database as at 31/03/2026

ENGAGEMENT HIGHLIGHTS

JINDAL STEEL & TOP 100 PORTFOLIO EMITTERS

Our engagement approach is grounded in our focus on delivering long term value for Partner Funds. In Q1, Border to Coast sought to ensure its top 100 holdings contributing to portfolio emissions were all under engagement either directly by Border to Coast, our service provider Robeco, our external asset managers, or the investor collaborations in which we participate.

We identified Jindal Steel as the highest emitter currently not subject to engagement on climate risk. We wrote to the company to welcome its climate targets, the progress made in recent years, and based on its Transition Pathway Initiative (TPI) assessment, we requested that the company:

- Nominates a board member or board committee with explicit responsibility for oversight of the climate policy.
- Develops a process to manage climate-related risks, and
- Reports relevant Scope 3 emissions

We also sent letters to another 30 companies in our top 100 emitters not currently under engagement.

These letters set out our minimum expectations for climate risk management, covering disclosures, targets, and transition plans. In line with just transition principles, our minimum expectations differ for companies in developed markets and developing/emerging markets.

END OF ENGAGEMENTS

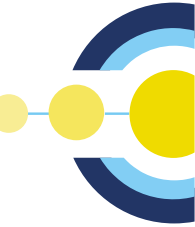
Our existing Engagement Strategy concluded in Q1 2026 with some programmes wound down in preparation for the new Engagement Strategy covering the period 2026-2030.

In Q1, we published an end of engagement report with 11 UK water utility companies in partnership with Royal London Asset Management. The focus, in support of delivering long term value for Partner Funds, was sewage pollution, water leakage, climate change mitigation and adaptation, nature-based solutions, biodiversity, and affordability.

The report covers areas of improvement and remaining weakness against 19 KPIs, and an overview for each of the water utilities. Only two of the 11 water utilities score marginally worse now than in 2023 when engagement commenced and seven score significantly better, including all of those originally identified as laggards.

In Q1, we also published an end of engagement report for our engagement with Barclays, Lloyds, NatWest, and HSBC to pioneer the integration of just transition into banking sector net zero strategies, supporting effective risk management.

The report included our assessment of the banks against 15 KPIs, areas of considerable improvement since engagement commenced in 2023, emerging best practice case studies, and areas requiring further attention, primarily on place-based transition risk.



INITIATIVES AND COLLABORATIONS

ROBECO

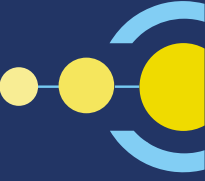


Signatory of:





PENSIONS PARTNERSHIP



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