AGENDA ITEM 7

Border to Coast Pensions Partnership Limited

Joint Committee

Date of Meeting: **24 November 2026**

Report Title: **Corporate Governance & Voting Guidelines Annual Review**

Report Sponsor: **Joe McDonnell – Chief Investment Officer**

1. Executive Summary

1.1 Border to Coast's Corporate Governance and Voting Guidelines ("the Guidelines") are reviewed annually to ensure continued alignment with our responsible investment approach, stewardship activities and developments in market practice.

1.2 The Joint Committee terms of reference state that the Joint Committee are "to formulate and propose any common voting policy for adoption by the Authorities and to review and comment on any central policy adopted by Border to Coast".

1.3 The 2026 review was undertaken by the Responsible Investment team with support from Robeco, our voting and engagement provider. The review also included benchmarking against a range of asset owners and asset managers.

1.4 The review concluded that the Guidelines continue to provide an appropriate basis for voting activity and support our stewardship activities, with no major changes proposed.

1.5 Four targeted amendments are recommended to reflect developments in market practice and provide additional guidance. The proposed changes relate to: shareholder proposals; shareholder rights; dual-class share structures and climate-related voting expectations. In some cases, the amendments formalise approaches already applied through our voting activity rather than representing a material change in policy.

1.6 Partner Funds and relevant internal stakeholders have been consulted as part of the review process. The revised Guidelines will be presented to the Board Investment Oversight Committee on 30 November for feedback ahead of the Board's final consideration.

2. Recommendation

2.1 That the Committee reviews and comments on the proposed changes to the Corporate Governance & Voting Guidelines.

3. Annual Review of the Guidelines

Review Process

3.1 The Guidelines are reviewed annually as part of the Policy Governance Framework.

3.2 The 2026 review was undertaken by the Responsible Investment team with support from Robeco, the Company's voting and engagement provider. The review included benchmarking against a range of asset owners and asset managers, including BNP Paribas, Amundi, PGGM, LGIM, Nest and LGPS Central.

Outcome of the Review

3.3 The review concluded that the Guidelines remain aligned with the Border to Coast Responsible Investment Policy and continue to provide an appropriate basis for voting and stewardship activities. No fundamental changes are proposed.

3.4 Four amendments are recommended following the review:

- Shareholder proposals: clarify the circumstances in which shareholder proposals will be supported and bring the wording into line with existing voting practice.
- Shareholder rights: introduce guidance covering situations where companies reduce shareholder rights without seeking shareholder approval.
- Dual-class share structures: introduce a voting response where companies with dual-class share structures also demonstrate wider governance concerns.
- Climate-related voting expectations: introduce an escalation mechanism where a company materially reduces its climate ambitions without adequate explanation.

3.5 The current Guidelines are available for reference on the Border to Coast website. Details of the proposed amendments are set out at Appendix 1.

4. Impact Assessment

4.1 The proposed amendments are not expected to have a material impact on the Company's investment processes, stewardship programme or operational activities.

4.2 The amendments do not require any additional budget or resource and can be implemented through existing voting and stewardship arrangements with Robeco.

4.3 The proposed changes are intended to keep the Guidelines aligned with the Company's Responsible Investment Policy and current voting practice, while reflecting developments in market practice where appropriate.

5. Risks

5.1 Failure to update the Guidelines where appropriate may result in the Company's voting approach becoming less aligned with market practice and emerging stewardship expectations. This risk is mitigated through the annual review process.

5.2 The proposed amendments may result in additional votes against directors in a limited number of situations. This is considered consistent with the Company's stewardship approach and voting activities and is not expected to result in any material change to investment processes or operational activities.

6. Author

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7. Supporting Documentation

Appendix 1: Proposed Amendments to Corporate Governance and Voting Guidelines

Important Information

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