Lincolnshire Pension Fund Stewardship Update
October – December 2024 inclusive

1.1 This report provides a summary of various stewardship activities that have been undertaken on behalf of the Fund during the quarter. This includes work by the Local Authority Pension Fund Forum (LAPFF), Border to Coast Pensions Partnership (BCPP), Robeco (who are appointed by Border to Coast to provide voting and engagement services), and other investment managers used by the Fund, including: Legal and General Investment Management, and Morgan Stanley Investment Managers.

2.0 Local Authority Pension Fund Form (LAPFF)

2.1 The Fund participates in the Local Authority Pension Fund Forum. LAPFF acts to promote the highest standards of corporate governance to protect the long-term value of local authority pension fund assets. The Forum engages directly with companies and sectors, and their current engagement themes include: climate risk, social risk, governance risk and reliable accounting risk. They also act by collaborating with other investors and by responding to government and industry consultations.

Outcomes achieved through LAPFF engagement

2.2 The latest LAPFF engagement report can be found on their website: Q4 2024 Quarterly Engagement Report - LAPFF. Highlights include:

- Sending a letter to all FTSE100 companies (excluding investment trusts), requesting details of their approach to operations in Conflict Affected and High-Risk Areas (CAHRAs). LAPFF highlighted processes including heightened human rights and environmental due diligence.
- Engaging with electric vehicle (EV) manufacturers, including discussions with Mercedes, Ford, VW, BMW, and General Motors on their human rights due diligence processes within critical mineral supply chains, particularly in CAHRA's.
- Engagements with Booking Holdings and Motorola Solutions, focussing on heightened human rights due diligence in CAHRA's, including the Occupied Palestinian Territory.
- LAPFF sent a letter to the chair of the London Stock Exchange Group, further challenging the weakening of listing standards, and calling for evidence-based decision making to protect investor interests.
- Board governance and climate strategy were discussed with Persimmon (housebuilders).
- Hollywood Bowl and InterContinental Hotels Group (IHG) were engaged with to discuss implications of the UK's proposed Employment Rights Bill and the phasing out of zero hours contracts.

- The sustainability claims of the Drax power station have been discussed, including the reliance on subsidies and carbon capture feasibility.
- Building on the successful Q3 engagements with Ryanair, Wizz Air and International Airlines Group (IAG) have been challenged on their net-zero pathways and the operational challenges around sustainable aviation fuel adoption.

<u>Company Engagement</u>

2.3 LAPFF engaged with 24 companies over the quarter, on issues surrounding Human Rights, Environmental Risk, Employment Standards, Climate Change, Audit practices, and Governance. Highlights include:

- Decarbonisation in aviation: following the release of the "Aviation decarbonisation and synthetic fuels" paper, produced on behalf of LAPFF, LAPFF has continued to engage with airlines including Wizz Air and IAG. As part of LAPFF's meeting with Wizz Air this quarter, the airline confirmed a commitment to publish their first net-zero targets by April 2025, alongside work to complete a roadmap for their 2030/35 targets. IAG have committed to achieving net-zero by 2050, including an interim goal of using 10% sustainable aviation fuel by 2030. Both Wizz Air and IAG are exploring hydrogen-powered aircraft, while acknowledging infrastructure and cost hurdles that make adoption unlikely before the mid-2030's for smaller aircraft and before 2040/50 for larger planes. IAG is investing in disruptive technologies like hydrogen fuel cells and carbon removal technologies. LAPFF is continuing its engagement with Shell and BP, both key suppliers of aircraft fuel.

- Electric vehicle battery supply chain: during the quarter, LAPFF met with five global vehicle manufacturers, where they discussed and pressed each company on how they were mitigating and managing human rights risks, particularly in supply chains in CAHRA's. All 5 companies could demonstrate progress in this area, including:

    - Mercedes: over the previous 3 years, the reporting Mercedes produces on raw materials in the battery supply chain process has increased from six to fifteen materials. Mercedes regularly provides information on stakeholder engagement it is involved in.
    - Ford: LAPFF discussed Ford's supply chain mapping initiative, which includes tracing battery materials to the point of extraction. Thirty supplier audits across four battery supply chains have been completed, and Ford has demonstrated its commitment to addressing potential human rights abuses by integrating Free, Prior and Informed Consent requirements, which help to protect indigenous populations.
    - BMW: LAPFF heard that BMW have been advancing their responsible sourcing practices. The company has completely shifted its cobalt sourcing to certified mines in Australia, eliminating higher-risk sourcing from the Democratic Republic of Congo.

- Water Stewardship: during the quarter, LAPFF engaged with Chipotle to discuss its water stewardship practices. LAPFF has been engaging with Chipotle on its approach to water stewardship since 2019, and the meeting had in December 2024 discussed their previously established water goal. LAPFF's expectation is for the company to set measurable and time-bound targets to reduce negative impacts on freshwater. Chipotle indicated they were working to develop a more focussed target, including a potential move to incentivise agricultural suppliers if they adopt additional regenerative farming practices.

2.4 Other work by LAPFF during the quarter included:

- Stakeholder Engagement: Following on from engagement with the London Stock Exchange (LSE) last quarter, LAPFF have sent a further letter to LSE. This letter made LAPFF's expectations clear, that a previous letter (sent May 2024) seeking clarity over the weakening of listing standards must be answered with evidence and accuracy. A meeting with the Senior Non-Executive Director of LSE is currently pending.

- Collaboration: Under the Nature Action 100 (NA100) initiative LAPFF met Merck & Co (pharmaceutical company) for a second collaborative meeting to discuss the company's response to the Nature Action 100 (NA100) benchmark being published. LAPFF emphasised the governance and assessment pillars of this framework, with Merck & Co. referencing potential for them to produce enhanced disclosures on the issue of nature and biodiversity. The company also highlighted the possibility of assessing and developing it's up and downstream supplier chains to become more in line with the NA100 benchmark.

2.5 In January 2025 LAPFF published a statement to help support members in responding to queries and understanding LAPFF's continued work on conflict affected and high-risk areas (CAHRA's). This statement can be found at [CAHRAS-LAPFF Engagement Expectations].

2.7 Further details on LAPFF's work can be found on their website: [www.lapfforum.org] and in their annual report for 2024 which has been published on their website during the quarter ([LAPFF Annual Report 2024]).

3.0 Border to Coast Pensions Partnership

3.1 Border to Coast is a strong advocate of stewardship and responsible investment and believes that businesses that are governed well and run in a sustainable way are more resilient, able to survive shocks, and have the potential to provide better financial returns for investors. As a representative of asset owners, they practice active ownership by holding companies and asset managers to account on Environmental, Social and Governance (ESG) issues that have the potential to impact corporate value. They also use shareholder rights by voting at company meetings, monitoring companies, carrying out engagement, and litigation.

3.2 Their approach to RI and stewardship is set out in their Responsible Investment Policy, Corporate Governance and Voting Guidelines and Climate Change Policy. These documents can be viewed on the Border to Coast website. They also publish a quarterly stewardship report detailing the activity they have undertaken during the quarter, and the latest copy can be found on their website (Quarterly Stewardship Report Q3 2024/25). Highlights from their work during the quarter include:

- Border to Coast submitted a response to the recent FCA consultation on new Initial Public Offerings (IPOs) and public offers. The consultation proposed additional guidance regarding inclusion of climate considerations in listing documentation and focused on fossil fuel companies. Border to Coast suggested the focus be extended to mineral companies including those in mining, oil, and gas. A copy of this response can be found on their website.

- Industry collaboration: The Border to Coast RI and Stewardship Team have been involved with a number of industry initiatives during the quarter, including: presenting to an IIGCC webinar on 'Navigating Just Transition in the Banking Sector', which focused on practical approaches to integration into bank climate transition plans, and joining a panel at the UK Centre for Greening Finance and Investment Leeds Innovation Hub to discuss our approach to climate change scenario analysis.

3.3 The industry highlights provide details of:

- Reporting updates – there is growing confidence that a set of consistent global climate disclosures are moving closer. Thirty jurisdictions have, or are taking meaningful steps to, mandate reporting of International Sustainability Standard Board sustainability reporting standards. These jurisdictions will represent approximately 50% of global greenhouse has emissions, and 40% of global market capitalisation.

- A string of asset managers have left collaborative net zero initiatives, including Citigroup, Goldman Sachs and Blackrock. As a result of these exits, the Net Zero Asset Manager initiative has suspended all activities and has begun an internal review. Border to Coast continue to monitor this development and are increasing their scrutiny of asset managers.

High level information on Border to Coast voting and engagement activity

3.4 This quarter saw Border to Coast voting at 123 meetings, covering 876 agenda items. In 11% of meetings, Border to Coast cast at least one vote against the recommendations of management.

3.5 During the quarter, Border to Coast supported one shareholder proposal at Woolworths Group. This proposal requested the company report on impact of salmon farming in Tasmania, and the effect it has on a local endangered fish population. Border to Coast also voted against a shareholder proposal at National Australia Bank, calling for disclosures around customer transition plans. Border to Coast decided the company was sufficiently managing this issue and so voted against the proposal for further disclosure requirements.

3.6 Engagement activity included 620 engagements, carried out by: external managers appointed by Border to Coast; Robeco, as the Pool's engagement and voting manager; internal portfolio managers; and by LAPFF. The report also includes case studies on engagement with the Good Work Coalition.

4.0 Border to Coast Pensions Partnership – Robeco

4.1 In addition to the direct stewardship work undertaken by Border to Coast, they have appointed Robeco to provide voting and engagement services. A copy of their quarterly activity report can be found on the Border to Coast website (Robeco Quarterly Active Ownership Report Q3 2024/25).

4.2 During the quarter they have engaged with companies on 93 occasions on topics including: ESG matters and sustainable development goals. This quarter's report provides details on how Robeco are extending and broadening their engagement around the "ocean economy", with 66% of listed companies being found to be dependent on the world having a healthy and productive ocean. There is also discussion around Just Transition and the role that everybody has to play in this.

5.0 Other Managers

Legal and General Investment Management

5.1 Legal and General Investment Management (LGIM) manage approximately 15% of the Fund's portfolio, which is invested in the Future World Fund (global equities). The Future World Fund invests systematically in a globally diversified portfolio of quoted company shares. The index is designed to favour investment in companies which exhibit characteristics that have historically led to higher returns or lower risk than the market as a whole, and companies which are less carbon-intensive or earn green revenues. LGIM also builds ESG factors and responsible investing into all its investment activity. More information on this can be found on their website: LGIM Responsible Investing.

5.2 On a quarterly basis LGIM publish an ESG Impact Report detailing their engagement activity during the quarter, across all their investment products, and an ESG report specifically for the Future World Fund. At the time of preparing this report the most recent available report covers quarter two 2024/25. This can be found on their website.

Morgan Stanley

5.3 During the quarter, a number of milestones were achieved by underlying managers within this element of the portfolio:

- A fish waste processing company has decided to accelerate its initiative to upgrade the fleet and production facilities, which is expected to reduce the company's carbon footprint. For the most recent quarter, the company supplied enough fish waste to produce energy for 9,000 households for a year.

- A Commercial and Industrial ("C&I") solar business within the portfolio has signed a new Power Purchase Agreement ("PPA") for a 100MW behind-the-meter project with a large utility.

- A controlled environment agriculture business has continued to expand its facilities, currently operating 1.8million square feet, which is a ~15% increase versus previous reporting. The business uses ~90% less water, ~95% less land, ~90% less diesel fuels, and ~80% less fertilizer and no pesticides relative to traditional farming.

Hearthstone Investments

5.4 Hearthstone Investments are institutional investors with a focus on the UK affordable private rental housing market. In July 2020 the Committee approved a commitment of £37m to the Hearthstone Residential Fund 2. The fund aims to establish a portfolio of high quality privately rented houses and low-rise apartment blocks, particularly suited to young professionals and families in areas of solid rental demand and good local infrastructure, but where there is a lack of suitable quality rented housing stock.

5.5 During the quarter Hearthstone published their 2024 Impact and Sustainability Report. They focus on three lenses: Regional Impact; Placemaking (being conscious that these investments are going to be people's homes); and Environmental Impact.

5.6 When "Placemaking", Hearthstone assess the location of each property they manage. This has led to 84% of their homes being within 500 metres of public transport, and 84% of their homes being within 250 metres of public green space.

5.7 The environmental impact of Hearthstone properties is, on average, around three times lower than a typical UK home (1.2 tonnes of carbon emissions per year, versus 4.0 tonnes). This has been achieved through better energy performance of homes and investment in solar panels, heat pumps and EV charging.

6.0 **Voting**

6.1 To enable the Fund to fulfil its stewardship responsibilities as an active shareholder, the active equity managers are required to report on their voting on a quarterly basis.

6.2 Border to Coast produces summary proxy voting reports, which are attached at appendix A for Global Equity Alpha, appendix B for Overseas Developed Markets Equity and appendix C for UK Listed Equities. During the quarter:

- Global Equity Alpha – 51 meetings were attended, and 292 votes were cast. At 21 meetings one or more votes were cast against management recommendations. This amounted to 42 (14.38%) proposals from management that were voted against.

- Overseas Developed Markets Equity – 29 meetings were attended, and 254 votes were cast. At 13 meetings one or more votes were cast against management recommendations, this amounted to 37 (14.57%) proposals from management that were voted against.

- UK Listed Equity – 3 meetings were attended, and 47 votes were cast. At no meetings did one or more votes get cast against management recommendations. This amounted to 0 proposals from management that were voted against.

6.3 Full details of the votes cast during the period October - December 2024 can be found on the Border to Coast website: Quarterly Full Details Voting Report Q3 2024/25.

6.4 Border to Coast have produced a 2024 AGM Season Proxy Voting Report, which outlines their proxy voting policy in practice. From opposing 92% of the chair re-elections at oil and gas companies, to supporting 82% of social shareholder proposals, Border to Coast have demonstrated their commitment to transparency and sustainability as a long-term investor and active steward of assets. The full report can be found on the Border to Coast website: Proxy-Voting-AGM-Season-Report-2024.pdf

7.0 Border to Coast Environmental, Social and Governance (ESG) Reporting

7.1 Border to Coast have worked with MSCI, the investment research company, to provide quarterly ESG and carbon reports. The reports include an ESG rating, weighted score for the quarter and the direction of travel, as well as information on the best and worst companies in the sub-fund. The report also includes details on carbon emissions and intensity.

7.2 For the quarter ended 31 December 2024 the ESG reports can be found at:

- Appendix D: Global Equity Alpha sub-fund;
- Appendix E: Overseas Developed Markets Equity sub-fund;
- Appendix F: UK Listed Equity sub-fund; and
- Appendix G: Sterling Investment Grade Credit sub-fund.

7.3 *"This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Lincolnshire County Council Pension Fund information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or re-disseminated in any form* and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."*

**In accordance with the Licence Agreement between Border to Coast Pensions Partnership Limited and MSCI ESG Research (UK) Limited.*

7.4 In summary:

- <u>Global Equity Alpha</u> – The sub-fund sits above the benchmark across all ESG scores. The sub-fund holds large active positions in a number of ESG leaders resulting in a higher relative ESG rating.

  The number of CCC rated companies held remains consistent with last quarter. The sub-fund exited Hyundai Motor Company, a CCC-rated company. However, this quarter saw the downgrade of PDD Holdings (a multinational commerce group listed in the US) to a CCC rating.

In terms of carbon emissions and carbon intensity, the sub-fund remains materially below the benchmark on all emissions metrics. Financed emissions dropped by 22% in the quarter, carbon intensity dropped by 31%, and weighted average carbon intensity dropped by 25%. The sub-funds exit from Heidelberg Materials contributed significantly to the drop in financed emissions, as Heidelberg previously accounted for 33% of the sub-fund financed emissions.

- <u>Overseas Developed Markets Equity</u> – Despite marginal reductions in the overall ESG Score of both the sub-fund and benchmark, the sub-fund remains above benchmark on this measure. The number of companies held by the sub-fund with an ESG Rating of CCC increased to four following the downgrade of Hyundai Mobis (a global auto parts vendor) and the acquisition of Park System Corp (a scientific equipment provider). Despite the increase in CCC rated companies, the sub-fund continues to hold favourable proportions of ESG leaders and ESG laggards compared to the benchmark, contributing to the sub-fund's overall differential versus the benchmark.

  The sub-fund saw small increases in its financed emissions and carbon intensity and a 12% decrease in weighted average carbon intensity (WACI). The sub-fund sits below benchmark across all emissions metrics. The reduction in WACI is largely explained by movements in the sub-fund's top five contributors to its WACI, including: the exit from Linde (manufacturer of material handling equipment and a provider of logistics solutions); a 34% increase in NextEra's (the US energy company) revenue, and a reduced position in RWE (the German energy company) were the major contributors to the reduction in sub-fund's WACI.

- <u>UK Listed Equity</u> – The sub-fund's overall ESG score dropped slightly and now sits below benchmark. The sub-fund saw a drop in ESG Leaders, with the sub-fund more than halving its position in AAA rated Diageo. The Fund also saw an increase in the average rated entities held with new positions in Rolls Royce, BT and Carnival (the cruise company).

  The sub-fund saw a 13% increase in financed emissions and 8% in carbon intensity quarter on quarter, with a marginal increase in the sub-fund's weighted average carbon intensity. With this increase the sub-fund now sits marginally above benchmark on financed emissions and continues to sit significantly above benchmark on carbon intensity and WACI. Despite reduced positions in BP and Glencore and the sub-fund exiting EasyJet, increased positions in top emitters Shell and Rio Tinto and a new carbon intensive position in Carnival drove the increase in the sub-fund's financed emissions and carbon intensity.

- <u>Sterling Investment Grade Credit</u> – the sub-fund's overall ESG score increased marginally during the quarter, with the sub-fund remaining slightly below the benchmark on a weighted ESG score basis. The sub-fund continues to have an overweight position in UK Government Bonds and underweight position in European Investment Bank and KFW bonds (a German investment bank). UK government bonds have an ESG rating of 'A' which is the main downward influence on the sub-fund's ESG scoring, relative to benchmark.

  The sub-fund continues to sit materially below the benchmark across all emissions metrics. This is largely driven by the relative underweight positions in high emitting sectors (materials, industrials, energy and utilities) versus the benchmark. During the quarter, the sub-fund's financed emissions increased by 20%. This was driven by a doubling of the Fund's position in Engie bonds (a French multi-national electric utility company), who are a large contributor to financed emissions. This, alongside significant increases in the proportion of BP bonds, and a 12% decrease in Enel's (a global power company) market cap, drove more than two thirds of the increase in financed emissions.

8.0 <u>Stewardship Code 2023/24</u>

8.1 The Financial Reporting Council (FRC) Stewardship Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those who support them. The Code comprises twelve 'apply and explain' principles for asset owners, under the headings:

- Purpose and governance;
- Investment approach;
- Engagement; and
- Exercising rights and responsibilities.

8.2 To become a signatory to the Code, organisations must submit a Stewardship Report demonstrating how they have applied the Code's Principles in the previous 12 months to the FRC. The FRC will assess the report, and if it meets their reporting expectations, the organisation will be listed as a signatory to the Code. Once listed, organisations must report annually to remain a signatory.

8.3 The Fund became one of the first Local Authority Pension Fund signatories to the Code, following submission of a report for 2020/21, and has been successful every year since, including the report submitted for 2023/24. A copy of the report can be found on the Pension Fund website: <u>Stewardship code 2023 to 2024</u>

8.4 There has, to date, been no output from the FRC Stewardship Code 2020 consultation as mentioned at the December Committee meeting. The Head of Lincolnshire Pension Fund has submitted a response to the FRC and attended a roundtable at the FRC to ensure our views were put forward. Officers will inform the Committee of the new Code changes once they have been released.

Appendices	
Appendix A	Link: B2C GEA Quarterly Summary Voting Report Q3 2024/25
Appendix B	Link: B2C ODE Quarterly Summary Voting Report Q3 2024/25
Appendix C	Link: B2C UK Listed Quarterly Summary Voting Report Q3 2024/25
Appendix D	Attached: B2C GEA Quarterly RI Report Q3 2024/25
Appendix E	Attached: B2C ODE Quarterly RI Report 2024/25
Appendix F	Attached: B2C UK Listed Quarterly RI Report Q3 2024/25
Appendix G	Attached: B2C IGC Quarterly RI Report Q3 2024/25

APPENDIX D

BORDER TO COAST GLOBAL EQUITY ALPHA FUND

ESG & CARBON REPORT

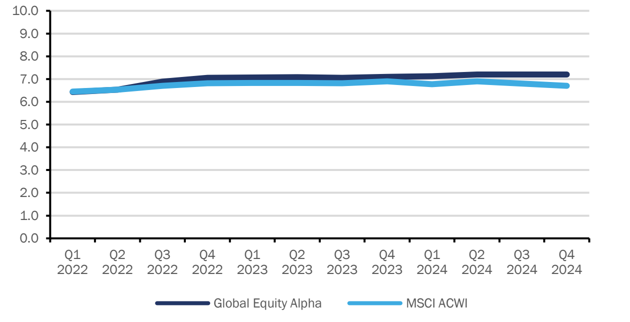
Q4 2024

MSCI ESG RATING

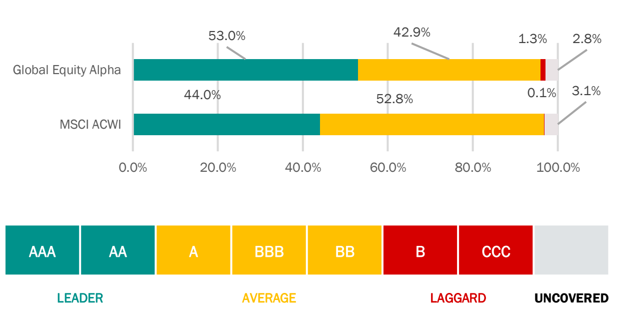
AA

	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark		
					Fund has an equal or better *Weighted ESG Score* than the benchmark.
Global Equity Alpha	AA [1]	7.2 [1]			Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
MSCI ACWI	A [1]	6.7[1]			Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers [1]				Lowest ESG Rated Issuers [1]			
	% Portfolio Weight	% Relative Weight	MSCI Rating		% Portfolio Weight	% Relative Weight	MSCI Rating
ASML	1.9%	+1.6%	AAA [1]	Jiangsu Hengli Hydraulic	<0.1%	+<0.1%	CCC [1]
Intuit	1.6%	+1.4%	AAA [1]	Amber Enterprises	<0.1%	+<0.1%	CCC [1]
Taiwan Semiconductor	1.6%	+0.5%	AAA [1]	PDD Holdings	<0.1%	-0.1%	CCC [1]
Nvidia	1.5%	-2.7%	AAA [1]	Meta Platforms	0.8%	-0.9%	B [1]
Kering	1.1%	+1.1%	AAA [1]	Olaplex Holdings	0.1%	+0.1%	B [1]

Quarterly ESG Commentary

- The Fund sits above the benchmark across all ESG scores. The Fund's holds large active positions in a number of ESG Leaders resulting in the Fund's higher relative ESG rating.
- The number of CCC rated companies held by the Fund remains consistent with last quarter. The Fund exited Hyundai Motor Company, one of the Fund's previous CCC-rated companies. However, this quarter also saw the downgrade of PDD Holdings to a CCC rating due to a number of controversies. Last quarter investigation into Temu began for alleged breaches of EU consumer protection laws and allegations of selling illegal products.
- **Feature Stock: Jiangsu Hengli Hydraulic**

Jiangsu Hengli Hydraulic (Hengli) is a China-based manufacturer of professional hydraulic components and hydraulic systems. Hengli is a market leader with around 50% of market share in key hydraulic components for excavators in China.

The company has been successful in diversifying its markets and products. International sales have increased from 12% in 2020 to 35% in 2024 with Hengli becoming an important strategic partner to major construction equipment companies Caterpillar and JLG. Hengli has also expanded sales outside construction machinery into agricultural and aerial work platform machinery. These markets now account for 50% of total sales in 2024, up from less than 30% in 2020. Hengli leads competitors in research and development. Hengli has increased research and development spending from 4% of sales in 2020 to 8% in 2024. This commitment to research and development is expected to help Hengli maintain its strong competitive edge.

The company's ESG Rating of CCC is mainly due to the governance practices that lag global peers. The Wang family holds 70% of the Company, the Board is chaired by the former CEO and the Board is not majority independent of management. These factors highlight potential conflicts of interests and poor oversight of management. The company is also seen to be behind peers on oversight of business ethics, audits on ethics standards and whistleblower protection.

Despite these governance concerns, Hengli's market leading position, potential for further expansions and strong commitment to research and development is expected to see the company continue as on the best quality companies in China's mechanical industry.

[1]Source: MSCI ESG Research 31/12/2024

BORDER TO COAST GLOBAL EQUITY ALPHA FUND

ESG & CARBON REPORT

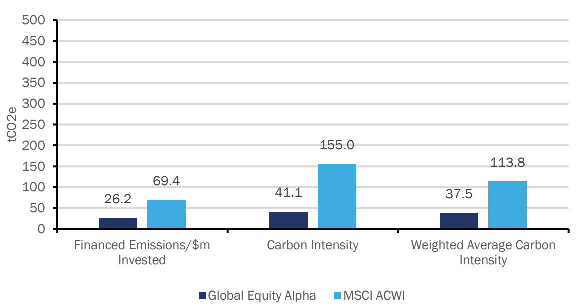
Q4 2024

MSCI ESG RATING

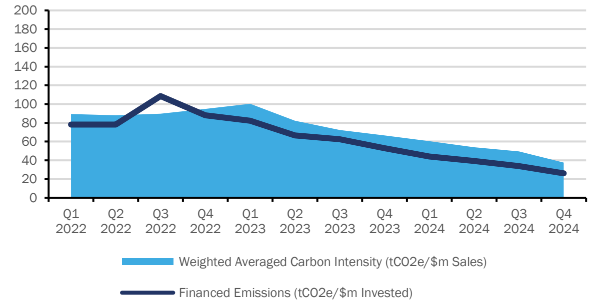
AA

PENSIONS PARTNERSHIP

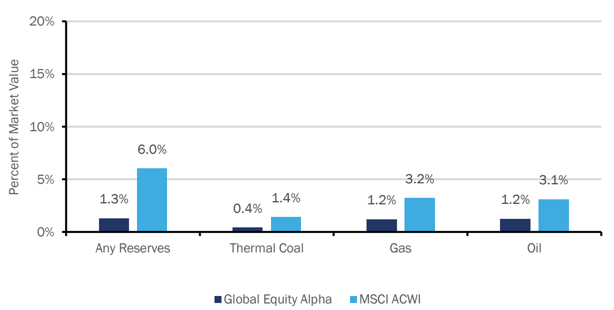
Carbon Emissions and Intensity[1]



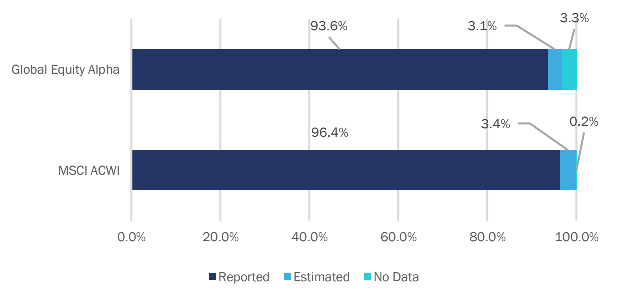
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]

	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
Phillips 66	0.5%	+0.5%	23.7% [1]	Yes	3
Jet2 plc	0.5%	+0.5%	9.7% [1]	No	N/A
Glencore	0.4%	+0.3%	8.5% [1]	Yes	4
Linde	0.9%	+0.6%	5.7% [1]	No	4
Bayer	0.8%	+0.7%	5.2% [1]	Yes	4

Quarterly Carbon Commentary

- The Fund saw a 22% reduction in its financed emissions, 31% reduction in carbon intensity and 25% reduction in weighted average carbon intensity.
- This quarter saw the Fund exit Heidelberg Materials. At Q3 2024, Heidelberg accounted for 33% of the Fund's financed emissions. The exit from this carbon intensive position without the addition of new positions in similarly intensive companies resulted in the significant drop across all emissions metrics.

Feature Stock: Jet2

Jet2 plc UK based travel company providing package holidays and low cost flights across Europe. Jet2.com is the UK's third largest airline and Jet2 Holidays is the UK's largest tour operator. Jet2 has evolved into a more traditional listed PLC with a second generation of highly competent management who have continued the founder's focus on customer-first principles, high quality service, but low-cost offering. A key part of the company's culture is their counter cyclical behaviour and conservative approach to leverage. This allowed the company to place a large plane order during the pandemic, the benefits of which are expected to continue to flow to shareholders over the next decade.

Jet2's carbon intensity reduction plan is for a 35% reduction by 2035 vs a 2019 baseline and has been submitted for SBTi validation. The company is targeting net zero by 2050 and unlike other airlines do not assume a step change in technology in their forecasts. Jet2's emissions intensity has been enhanced by the plane order placed during the pandemic, lightweighting initiatives and the opening of a new Retail Operations Centre. The centre allows Jet2 to more efficiently stock passenger carts and avoid running short of desired products or carrying unnecessary excess weight in unwanted products.

Jet2 have been proactive in securing sustainable aviation fuels procuring a long term SAF supply agreement running from 2028. The company are actively lobbying government to improve the certainty mechanisms for SAF producers and have lobbied the UK government for airspace reform which they believe could lead to 10% emission reductions in UK aerospace.

[1]Source: MSCI ESG Research 31/12/2024

Issuers Not Covered [1]		
Reason	ESG (%)[1]	Carbon (%)[1]
Company not covered	1.0%	0.7%
Investment Trust/ Funds	1.8%	2.6%

Important Information

The material in this report has been prepared by Border to Coast Pensions Partnership Limited ("Border to Coast") and is designed for the use of professional investors and provides investor information about this Fund. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI

[1]Source: MSCI ESG Research 31/12/2024

BORDER TO COAST OVERSEAS DEVELOPED MARKETS EQUITY FUND

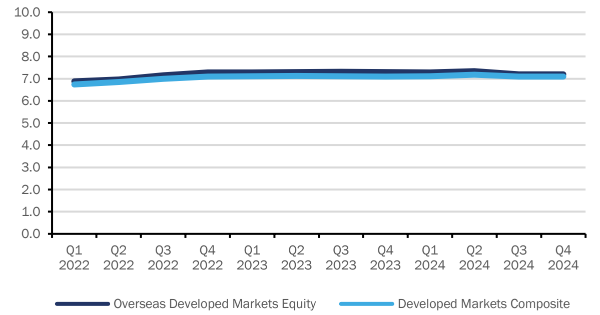
ESG & CARBON REPORT

Q4 2024

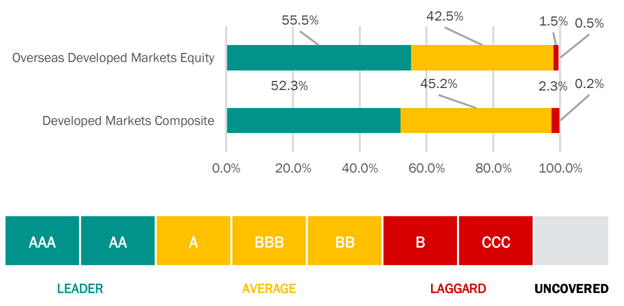
MSCI ESG RATING **AA**

	End of Quarter Position [1]			Key	
	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark	(green)	Fund has an equal or better *Weighted ESG Score* than the benchmark.
Overseas Developed Markets Equity	AA [1]	7.2 [1]	(green)	(amber)	Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
Developed Markets Composite	A [1]	7.1 [1]		(red)	Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers [1]	% Portfolio Weight	% Relative Weight	MSCI Rating	Lowest ESG Rated Issuers [1]	% Portfolio Weight	% Relative Weight	MSCI Rating
NVIDIA	3.1%	+0.5%	AAA [1]	Hyundai Motor	0.3%	+0.1%	CCC [1]
ASML	1.3%	+0.3%	AAA [1]	Hyundai Mobis	0.1%	+0.1%	CCC [1]
Novo Nordisk	1.3%	+0.3%	AAA [1]	HPSP	0.1%	+0.1%	CCC [1]
SAP	1.2%	+0.2%	AAA [1]	Park Systems Corp	0.1%	+0.1%	CCC [1]
Schneider Electric	1.0%	+0.5%	AAA [1]	Meta Platforms	0.9%	-0.1%	B [1]

Quarterly ESG Commentary

- Despite marginal reductions in the overall ESG Score of both the Fund and benchmark, the Fund remains above benchmark on this measure.
- The number of companies held by the Fund with an ESG Rating of CCC increased to four following the downgrade of Hyundai Mobis and the acquisition of Park System Corp. Despite the increase in CCC rated companies, the Fund continues to hold favourable proportions of ESG leaders and ESG laggards compared to the benchmark, contributing to the Fund's overall differential versus the benchmark.

Feature Stock: HPSP

HPSP Co Ltd is a Korean company which is specialised in high pressure heat treatment semiconductor equipment increasingly used in the production of smaller logic nodes and memory chips. HPSP has technology (protected by over 30 patents) and expertise in handling high-density hydrogen in high pressure environments, where the risk of explosion is high and rigorous safety standards are needed. This provides high barriers to entry and makes costs high for HPSP's customers (the largest semiconductor foundries and memory makers) should they wish to switch to other suppliers.

MSCI initiated coverage of HPSP in April 2023 with an ESG rating of "CCC" and reiterated it March 2024, with the company trailing its peers. This can be typical of small Korean companies which are growing rapidly and have not yet made improvements according to their new status. MSCI's "formulaic" approach tends to penalise smaller companies with fewer resources in terms of ESG-dedicated teams and specialists.

Expectations are for HPSP to improve its labour and governance practices as it develops, sets up better systems and improves disclosure. Whilst the criticism in terms of corporate governance practices is not undeserved and improvement desirable and to be demanded, in recent years HPSP has delivered great shareholder value and risen to prominence in a very competitive industry with a strong IP prowess led by a professional management team.

[1]Source: MSCI ESG Research 31/12/2024

BORDER TO COAST OVERSEAS DEVELOPED MARKETS EQUITY FUND

ESG & CARBON REPORT

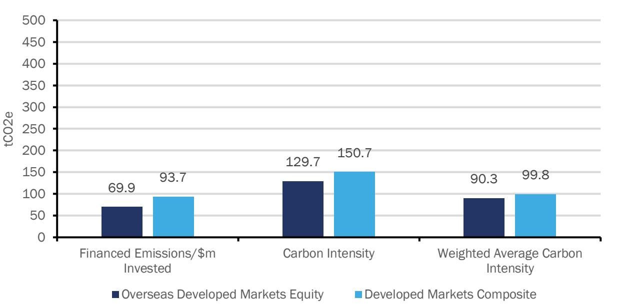
Q4 2024

MSCI ESG RATING

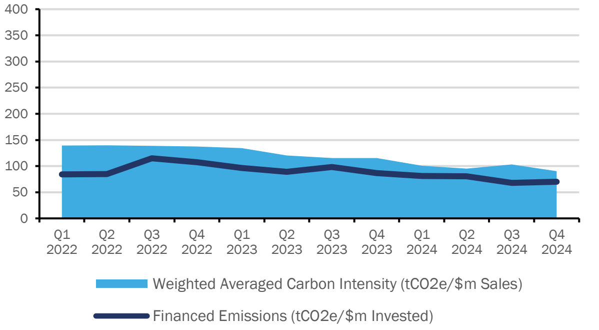
AA

BORDER TO COAST PENSIONS PARTNERSHIP

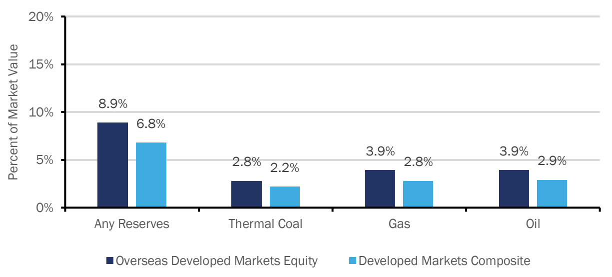
Carbon Emissions and Intensity[1]



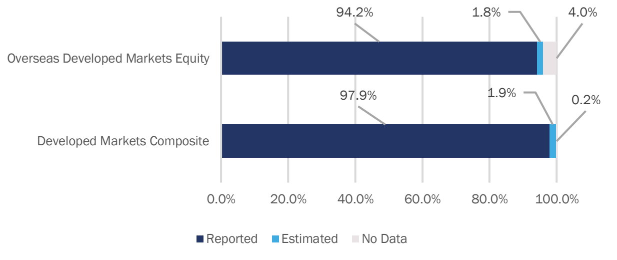
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]

	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
RWE	0.2%	+0.1%	10.0% [1]	Yes	4
POSCO	0.1%	+<0.1%	9.9% [1]	Yes	4
Holcim	0.4%	+0.2%	9.2% [1]	Yes	4
L'Air Liquide	0.7%	+0.3%	4.1% [1]	Yes	3
Rio Tinto	0.2%	+<0.1%	4.0% [1]	Yes	4

Quarterly Carbon Commentary

- The Fund saw small increases in its financed emissions and carbon intensity and a 12% decrease in weighted average carbon intensity (WACI). The Fund sits below benchmark across all emissions metrics.
- The reduction in WACI is largely explained by movements in the Fund's top 5 contributors to its WACI. The Fund's exit from Linde, a top contributor at end Q3 2024, a 34% increase in NextEra's revenue and a reduced position in RWE were the major contributors to the reduction in Fund's WACI.

Feature Stock: RWE

In November 2023, RWE outlined a €55bn investment plan to expand its green portfolio to more than 65 gigawatts (GW) by 2030, adding net capacity of >30GW between 2024-30. It is making good progress towards this goal with over 11GW of renewables capacity under construction. RWE's goal is to be carbon neutral by 2040 and to achieve this it is increasing the pace of its transformation and aiming to reduce its emissions in line with the 1.5°C reduction path across all corporate activities and all greenhouse gases. This includes the construction of renewable energy plants based on offshore and onshore wind power, solar energy, and battery storage as well as investments in hydrogen-ready gas-fired power plants. RWE has a goal to phase out the use of coal as an energy source by 2030 and is decommissioning coal power plants as soon as their utilisation is no longer required. It is unlikely that RWE will be able to close earlier than this (as it previously wished to do so) given that Germany is having to import electricity from its Neighbours. To achieve the goal of net zero by 2040, the decarbonisation of fossil-fueled power plants is another key element. RWE is converting its Dutch power plants to run on biomass and is currently developing carbon capture and storage projects in the UK and the Netherlands.

The investment thesis for owning RWE has slightly changed over the last year. It still has a good balance sheet relative to the sector and is investing heavily in renewables for future earnings growth. Given the slower deployment of capital into renewables, the group is looking to return cash to shareholders through a share buyback. The group remains at a valuation discount to its peers, which is mainly due to its coal-fired power generation exposure. As the exposure to coal/lignite reduces, RWE should rerate to be in line with its peers.

[1]Source: MSCI ESG Research 31/12/2024

Issuers Not Covered [1]		
Reason	ESG (%)[1]	Carbon (%)[1]
Company not covered	0.1%	0.1%
Investment Trust/ Funds	0.4%	3.9%

Important Information

The material in this report has been prepared by Border to Coast Pensions Partnership Limited ("Border to Coast") and is designed for the use of professional investors and provides investor information about this fund. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI

[1]Source: MSCI ESG Research 31/12/2024

APPENDIX F

BORDER TO COAST UK LISTED EQUITY FUND

ESG & CARBON REPORT

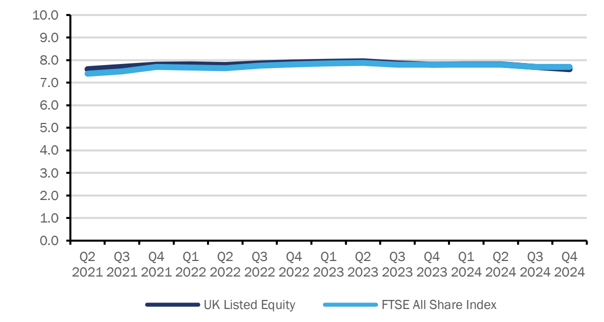
Q4 2024

MSCI ESG RATING

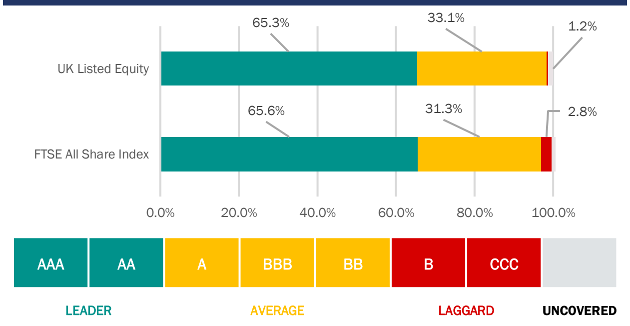
AA

	End of Quarter Position [1]			Key	
	MSCI ESG Rating	**Weighted ESG Score**	**vs. Benchmark**	(green)	Fund has an equal or better *Weighted ESG Score* than the benchmark.
UK Listed Equity	AA [1]	7.6 [1]	(green)	(amber)	Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
FTSE All Share Index	AA [1]	7.7 [1]		(red)	Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers [1]				Lowest ESG Rated Issuers [1]			
	% Portfolio Weight	**% Relative Weight**	**MSCI Rating**		**% Portfolio Weight**	**% Relative Weight**	**MSCI Rating**
Unilever	5.6%	+0.9%	AAA [1]	Carnival	0.6%	+0.5%	BB [1]
Relx	3.6%	+0.7%	AAA [1]	Rolls Royce	2.1%	+<0.1%	BBB [1]
National Grid	2.3%	+0.4%	AAA [1]	Imperial Brands	1.9%	+1.0%	BBB [1]
SSE	1.3%	+0.6%	AAA [1]	Glencore	1.0%	+0.9%	BBB [1]
Diageo	1.1%	-1.3%	AAA [1]	Shaftesbury Capital	0.5%	+0.4%	BBB [1]

Quarterly ESG Commentary

- The Fund's overall ESG score dropped slightly and now sits below benchmark. The Fund saw a drop in ESG Leaders, with the Fund more than halving its position in AAA rated Diageo. The Fund also saw an increase in the average rated entities held with new positions in Rolls Royce, BT and Carnival.
- The Fund's ESG score continues to rank highly, this is in large part due to the nature of the UK market's approach to ESG risk management, meaning UK companies typically have a higher ESG rating compared to other markets. Unilever, this quarter's feature stock, is an example of how listed UK entities approach ESG risks.

Feature Stock: Unilever

Unilever is one of the world's largest consumer goods companies, employing around 128,000 people and operating across 280 sites worldwide. Its leading brands include Dove and Sunsilk in Beauty & Wellbeing, Lux and Lifebuoy in Personal Care, Domestos & Cif in Homecare, Hellmans & Knorr in Foods, and Walls and Ben & Jerry's in Ice Cream. Recent leadership changes, including the CEO & CFO, have seen an increased focus on operational efficiency and a shift to higher growth categories such as prestige beauty and health & wellbeing benefitting margins, with lower growth businesses such as Tea sold and a planned exit from Ice Cream announced. The recent Capital Markets Day in November outlined Unilever's strategy to prioritise its top 30 brands (75% of sales) and top 34 markets (85% of sales), with more stretching targets for cash conversion and returns on investment. Exposure to emerging markets, in particular its presence in India through Hindustan Unilever, is a key part of the growth opportunity.

Unilever is AAA ESG-rated by MSCI, which places it within the top 14% of the Household and Personal Products industry, having been successively upgraded to AA in June 2021 then to AAA in October 2022. MSCI sees Unilever as continuing to lead global peers around corporate governance practices, including having a majority independent and diverse board, and adoption of industry leading product carbon footprint reduction activities, where net zero emissions are targeted by 2039, well ahead of many peers. Notwithstanding this there are areas for improvement such as single-use packaging materials, where reductions to date have been limited in scope. Unilever's business mix of home & personal care and food products potentially leaves it more exposed to product contamination and liability risks. In this regard Unilever has replaced petrochemical-based agents with biodegradable alternatives, with all manufacturing facilities certified to FSSC standards including regular product quality inspections and oversight

[1]Source: MSCI ESG Research 31/12/2024

BORDER TO COAST
UK LISTED EQUITY FUND

ESG & CARBON REPORT

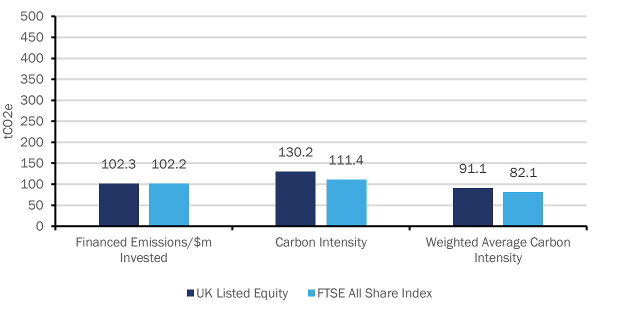
Q4 2024

MSCI ESG RATING

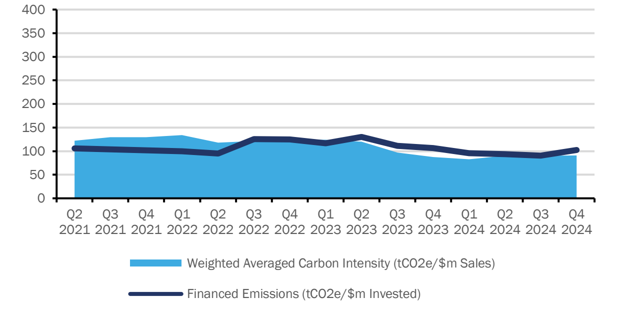
AA

PENSIONS PARTNERSHIP

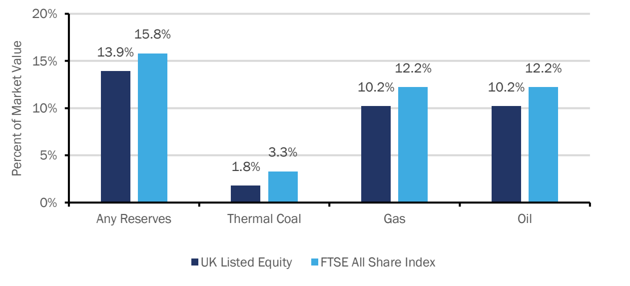
Carbon Emissions and Intensity[1]



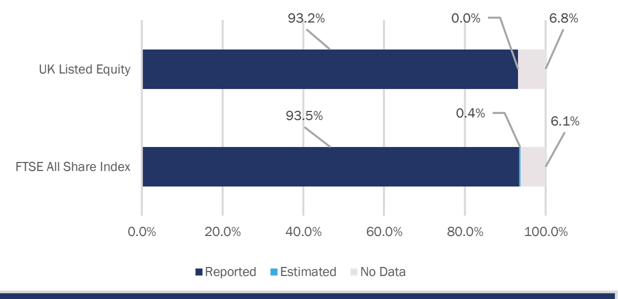
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]

	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
Shell	7.5%	+1.1%	37.7% [1]	Yes	4
Carnival	0.7%	+0.5%	17.4% [1]	No	3
Rio Tinto	2.9%	+0.7%	12.9% [1]	Yes	4
BP	1.8%	-0.9%	7.9% [1]	Yes	4*
Glencore	0.9%	-0.9%	4.9% [1]	Yes	4

Quarterly Carbon Commentary

- The Fund saw a 13% increase in financed emissions and 8% in carbon intensity quarter on quarter, with a marginal increase in the Fund's weighted average carbon intensity. With this increase the Fund now sits marginally above benchmark on financed emissions and continues to sit significantly above benchmark on carbon intensity and WACI.
- Despite reduced positions in BP and Glencore and the Fund exiting EasyJet, increased positions in top emitters Shell and Rio Tinto and a new carbon intensive position in Carnival drove the increase in the Fund's financed emissions and carbon intensity. Carnival is this quarter's feature stock.

Feature Stock: Carnival

Carnival is the one of the world's largest leisure travel companies commanding approximately 37% of the worldwide cruise liner fleet. The company has operations in North America, Australia, Europe and Asia, with about 10 cruise lines and a fleet of over 90 ships. Carnival serves British and Australian passengers primarily through P&O Cruises, while brands such as AIDA and Costa Cruises serve travellers across the rest of Europe. In North America, Carnival operates Princess Cruise Lines, Holland America, Seabourn, P&O Cruises Australia, and its flagship Carnival Cruise Lines. The company generates around 70% of its sales from North America.

The company has targeted a 20% reduction in carbon intensity by 2030 from its 2019 baseline. To achieve this the company is using a number of levers. As the cruise fleet renews, fuel efficiency has improved at a rate of 2.4% per year since 2005. This is better than airlines which have improved by 0.5-1% per year over the same period. To reduce the pollution from ship exhaust gasses Carnival has also deployed air quality systems across the fleet and is expanding its LNG programme.

The company has increased its use of "cold ironing", the powering of ships in port from shore-side supplies, with shore power connections now viable to 60% of the fleet . The company is aspiring to achieve net zero emissions from ship operations, and 100% fleet shore power by 2050. While there is clearly work to do in reducing absolute emissions Carnival continues to comply with all relevant environmental standards across its geographies.

[1]Source: MSCI ESG Research 31/12/2024

Issuers Not Covered [1]		
Reason	ESG (%)[1]	Carbon (%)[1]
Company not covered	0.0%	0.0%
Investment Trust / Funds	1.2%	6.8%

Important Information

The material in this report has been prepared by Border to Coast Pensions Partnership Limited ("Border to Coast") and is designed for the use of professional investors and provides investor information about this fund. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI

[1]Source: MSCI ESG Research 31/12/2024

APPENDIX G

BORDER TO COAST STERLING INVESTMENT GRADE CREDIT FUND

ESG & CARBON REPORT

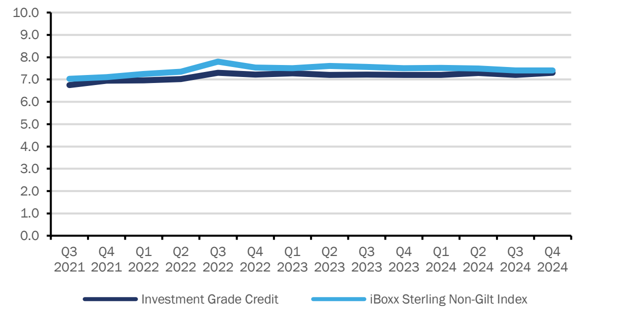
Q4 2024

MSCI ESG RATING

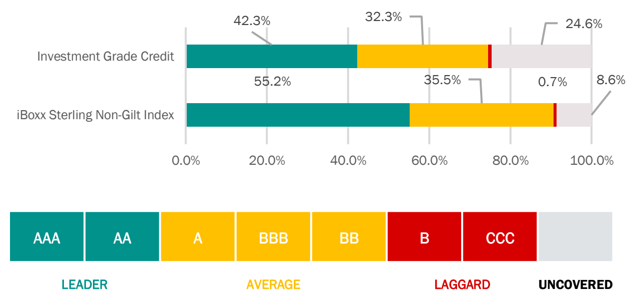
AA

	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark		
				(green)	Fund has an equal or better *Weighted ESG Score* than the benchmark.
Sterling Investment Grade Credit	AA [1]	7.3 [1]	(amber)	(amber)	Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
iBoxx Sterling Non-Gilt Index	AA [1]	7.4 [1]		(red)	Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers [1]				Lowest ESG Rated Issuers [1]			
	% Portfolio Weight	% Relative Weight	MSCI Rating		% Portfolio Weight	% Relative Weight	MSCI Rating
European Investment Bank	1.9%	-1.7%	AAA [1]	Akelius Residential Property	0.3%	+0.3%	CCC [1]
KFW	0.9%	-3.3%	AAA [1]	Volkswagen Group	0.4%	-0.2%	B [1]
Land Securities	0.7%	+0.3%	AAA [1]	GB Social Housing	0.1%	+<0.1%	B [1]
Legal and General	0.7%	+0.3%	AAA [1]	Eversholt	0.4%	+<0.4%	BB [1]
Aviva	0.6%	+<0.1%	AAA [1]	Realty Income Corporation	0.4%	-0.1%	BB [1]

Quarterly ESG Commentary

- The Fund's weighted ESG Score closed its gap to the benchmark, from last quarter. The Fund continues to have a large overweight position in UK government bonds and underweight positions in European Investment Bank and KFW bonds. UK government bonds have an ESG rating of 'A' of which is the main downward influence on the Fund's ESG scoring relative to benchmark.
- The number of CCC companies held by the Fund increased to 1 following the downgrade of Akelius Residential Property due to corporate governance practices that were judged to trail its global peers.

Feature Stock: Volkswagen (VW)

Whilst there are clearly cyclical headwinds for VW, and for the auto sector as a whole, it remains comfortable from a credit perspective. Spreads on its sterling-denominated bonds generally remain wide relative to the other richly-priced cyclical industrials, and as a result its positioning in the portfolio remains close to a benchmark weight. There have been signs of cyclical pressures with weakness emerging in Europe and China, at a time when European Manufacturers have been feeling the strain of EV regulation. The company has revised FY results guidance down over the year and announced its intentions for cost saving and efficiency measures.

From an ESG perspective, the company has made significant progress since the emissions scandal ("Dieselgate") by putting in place an entire new senior management team, shifting the strategy towards electrification at a faster pace than peers and completely overhauling the company culture, something that ESG data providers in general have been slow to recognise.

In 2024, the company also confirmed its intention to sell the JV plant and associated assets in the Xinjiang region and thus put an end to its involvement in an operation, that whilst small in the context of the VW group, brought concerns around their involvement in human rights abuses and forced labour. A third-party external audit at the end of 2023 had found no evidence of forced labour.

[1]Source: MSCI ESG Research 31/12/2024

BORDER TO COAST STERLING INVESTMENT GRADE CREDIT FUND

ESG & CARBON REPORT

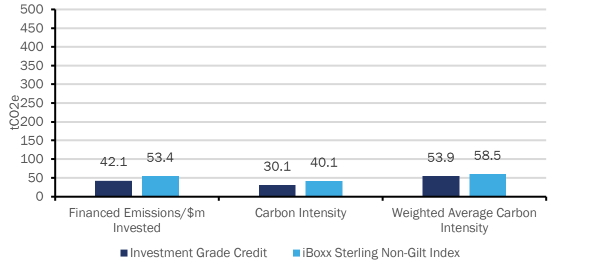
Q4 2024

MSCI ESG RATING

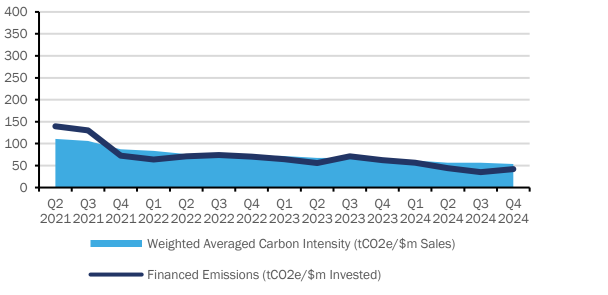
AA

BORDER TO COAST PENSIONS PARTNERSHIP

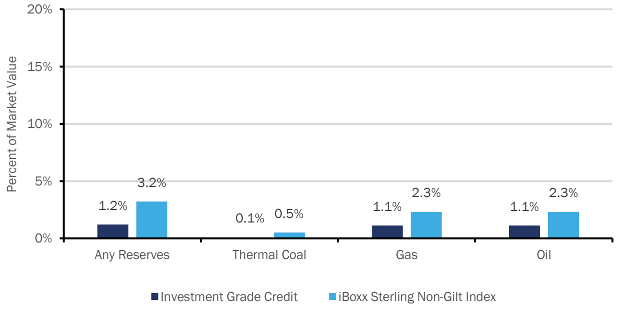
Carbon Emissions and Intensity[1]



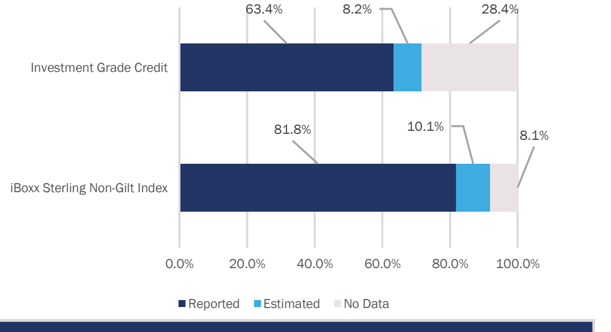
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]

	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
Enel	0.5%	+0.2%	14.5% [1]	Yes	4
Engie	0.3%	+<0.1%	11.8% [1]	Yes	4
EON	0.8%	-<0.1%	8.5% [1]	No	4
Mobico	<0.1%	+0.1%	7.0% [1]	No	N/A
Air Canada	<0.1%	-<0.1%	5.8% [1]	No	4

Quarterly Carbon Commentary

- The Fund's carbon intensity and WACI saw marginal change across quarter whilst the Fund's financed emissions increased by 20%.
- The Fund more than doubled its position in Engie bonds, the fourth largest contributor to financed emissions last quarter. This alongside significant increase in the proportion of BP bonds held and a 12% decrease in Enel's market cap drove more than two-thirds of the increase in financed emissions.
- The Fund's underweight position in high emitting sectors such as materials and energy increases the sensitivity to its highest emitters.

Feature Stock: Enel

The issuer is a multinational energy utility and produces and distributes energy for business and household end users globally. It remains focused on growing its networks business and increasing capital expenditure to improve grid quality and resilience. It reported strong results citing strong performance from its renewable business

The company has a positive track record in improving its environmental policy and has committed to achieving full decarbonisation by 2040 (i.e., 100% renewable energy generation), which is ten years ahead of the goals set by the Paris Agreement. They have also set an intermediate target of at least 80% of installed renewable capacity by 2030 and coal phase-out by 2027. In their 2023 Sustainability Report, the issuer disclosed it had missed its Scope 1 Greenhouse Gas emissions intensity target relating to a power generation target of 148 gCO2eq/kWh, reporting an intensity of 160 gCO2eq/kWh. This target was one of the issuer's internal Sustainability Performance Targets (SPTs) incorporated in the company's Sustainability Linked Bond (SLB) programme. It continues to have one of the strongest ESG profiles in the industry. Additionally, the issuer's exposure to coal has reduced significantly over the past few years as they have closed down a number of coal plants (from 19 in 2019 to 5 in 2024) and 2 of the remaining 5 coal plants are already planned to close in 2025.

[1]Source: MSCI ESG Research 31/12/2024

Issuers Not Covered		
Reason	ESG (%)[1]	Carbon (%)[1]
Company not covered	16.6%	16.6%
Investment Trust/ Funds	8.0%	11.8%

Important Information

The material in this report has been prepared by Border to Coast Pensions Partnership Limited ("Border to Coast") and is designed for the use of professional investors and provides investor information about this fund. The MSCI ESG Fund Ratings and material in this document are for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. There is no assurance that any socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results. The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Border to Coast accepts no liability for any loss or damage arising from any use of, or reliance on, any information provided in this document. Border to Coast Pensions Partnership Ltd is authorised and regulated by the Financial Conduct Authority (FRN 800511).

Although Border to Coast information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use*, may not be reproduced or re-disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* In accordance with the licence agreement between Border to Coast and MSCI

[1]Source: MSCI ESG Research 31/12/2024