

# Sustainability and Engagement at Boston Partners

## Engagement Report

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The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions during November 2021:

### **Calls, Meetings and Correspondence with Issuers:**

The Team engaged with the below issuers following research on the company.

1. **RMR Group, Inc. (ticker symbol RMR):** RMR is an alternative asset management company, with a focus on commercial real estate and related businesses. The Team emailed RMR following research on RMR. The Team encouraged RMR to elect an independent Chairman and remove the multi-class stock structure with unequal voting rights. The Team also encouraged RMR to provide information about its supplier oversight programs and disclose GHG emissions broken down by scope 1, 2, and 3 categories.
  2. **Getty Realty Corp. (ticker symbol GTY):** GTY is a real estate investment trust specializing in ownership, leasing, and financing of convenience store and gasoline station real estate. The Team contacted GTY following research on GTY. The Team encouraged GTY to provide additional information regarding employee diversity programs and training program statistics. The Team encouraged GTY to prepare a sustainability report in accordance with GRI or SASB standards with environmental data. The Team also encouraged GTY to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
  3. **Natus Medical Incorporated (ticker symbol NTUS):** NTUS offers medical equipment, software, and services for newborn care, neurology, sleep, hearing, and balance. The Team emailed NTUS following research on NTUS. The Team encouraged NTUS to provide additional information regarding its diversity programs and training statistics. The Team also encouraged NTUS to conduct supplier audits. The Team encouraged NTUS to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged NTUS to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
  4. **BJ’s Restaurants, Inc. (ticker symbol BJRI):** BJRI is a restaurant chain that features microbreweries. The Team emailed BJRI following research on BJRI. The Team encouraged BJRI to provide additional information regarding their employee training. The Team encouraged BJRI to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged BJRI to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
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5. **Beacon Roofing Supply (ticker symbol BECN):** BECN sells roofing products and related building products. The Team emailed BECN following research on BECN. The Team encouraged BECN to elect an independent Chairman and provide shareholders the right to call special meetings and act by written consent. The Team encouraged BECN to provide diversity, training, safety, and supplier oversight information. The Team encouraged BECN to prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged BECN to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
6. **PetIQ, Inc. (ticker symbol PETQ):** PETQ manufactures pet foods, provides prescription and over the counter pet medication, and related products. The Team emailed PETQ following research on PETQ. The Team encouraged PETQ to elect an independent Chairman, remove the current classified Board structure, and provide shareholders the right to call special meetings and act by written consent. The Team encouraged PETQ to provide additional information regarding their employee diversity, training programs, and supplier oversight programs. The Team encouraged PETQ to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards.
7. **Apria, Inc. (ticker symbol APR):** APR is a provider of home healthcare equipment for respiratory therapy, obstructive sleep apnea treatment, and negative pressure wound therapy. The Team emailed APR following research on APR. The team encouraged APR to remove the current classified Board structure. The Team also encouraged APR to provide diversity data and information about their training programs. The Team encouraged APR to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged APR to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
8. **Innoviva, Inc. (ticker symbol INVA):** INVA develops, commercializes, and manages biopharmaceuticals with a focus on respiratory assets. The Team emailed APR following research on APR. The Team encouraged APR to provide employee diversity data and information about its training programs. The Team encouraged INVA to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged INVA to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
9. **Dole Plc (ticker symbol DOLE):** DOLE is a global producer of fruit and vegetables. The Team emailed DOLE following research on DOLE. The Team encouraged DOLE to remove the classified Board structure. The team encouraged DOLE to provide additional information regarding employee diversity, training, safety, and supplier oversight. The Team encouraged DOLE to disclose scope 1, 2, and 3 GHG emissions and other environmental data. The Team encouraged DOLE to provide additional information about its climate risk management app.
10. **Emergent BioSolutions, Inc. (ticker symbol EBS):** EBS develops vaccines and antibody therapeutics for infectious diseases and opioid overdoses. The Team emailed EBS following research on EBS. The Team encouraged EBS to provide shareholders the right to call special meetings and act by written consent. The Team encouraged EBS to provide additional information about its training programs, safety statistics, and supplier audit statistics. The Team encouraged EBS to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged EBS to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
11. **Mednax, Inc. (ticker symbol MD):** MD focuses on neonatal, maternal-fetal, and pediatric physician subspecialty services. The Team emailed MD following research on MD. The Team encouraged MD to provide information about its training programs and supplier audit statistics. The Team also encouraged MD to disclose GHG emissions and other environmental data in a sustainability report. The Team also encouraged MD to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.

12. **Fortress Transportation & Infrastructure Investors LLC (ticker symbol FTAI):** FTAI owns and acquires transportation and related infrastructure assets with investments in aviation, energy, intermodal transport, and rail sectors. The Team emailed FTAI following research on FTAI. The Team encouraged FTAI to elect an independent Chairman and to remove the classified Board structure. The Team encouraged FTAI to provide diversity data and additional information regarding its training programs. The Team encouraged FTAI to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged FTAI to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
13. **WW International, Inc. (ticker symbol WW):** WW offers weight loss and maintenance, fitness, and mindset services. The Team emailed WW following research on WW. The team encouraged WW to remove the classified Board structure and provide shareholders the right to call special meetings. The Team encouraged WW to provide diversity data, training program statistics, and supplier oversight information. The Team encouraged WW to provide Board level oversight of sustainability issues and prepare a sustainability report in accordance with GRI or SASB standards. The Team also encouraged WW to provide information on climate-risk monitoring and noted the TCFD and CDP responses as useful frameworks.
14. **Chesapeake Energy Corporation (ticker symbol CHK):** CHK is engaged in hydrocarbon exploration and its portfolio includes unconventional oil and natural gas assets. The Team emailed CHK following research on CHK. The Team encouraged CHK to elect an independent Chairman and provide improved shareholder rights. The Team encouraged CHK to provide additional information regarding efforts to improve diversity for the workforce, leadership positions, and the Board. The Team encouraged CHK to provide additional information regarding supplier oversight. Finally, the Team encouraged CHK to disclose emissions data broken down into scope 1, 2, and 3 categories.
15. **Allegheny Technologies Inc. (ticker symbol ATI):** ATI is a special metals company that produces products in markets including aerospace and defense, oil and gas, chemical process industry, electrical energy, and medical. The Team emailed ATI following research on ATI. The Team encouraged ATI to separate the Chairman and CEO positions, remove the classified Board structure, and provide enhanced shareholder rights. The Team also encouraged ATI to provide additional information about employee training and supplier oversight programs. Finally, The Team encouraged ATI to break down GHG emission data into scope 1, 2, and 3 categories.
16. **Kirby Corporation (ticker symbol KEX):** KEX is a large tank barge operator that transports bulk liquid oil and chemical products along the U.S. coast lines. The Team emailed KEX following research on KEX. The Team encouraged KEX to elect an independent Chairman. The Team also encouraged KEX to provide additional information regarding efforts to improve diversity and supplier oversight programs. Finally, the Team encouraged KEX to create science-based GHG emissions targets.
17. **Orion Group Holdings, Inc. (ticker symbol ORN):** ORN is a specialty construction company. The Team emailed ORN following research on ORN. The Team encouraged ORN to remove the classified Board structure and provide additional shareholder rights. The Team also encouraged ORN to provide additional information regarding employee diversity, training programs, and supplier oversight. Finally, the Team encouraged ORN to disclose emissions data and set emission reduction targets.
18. **Ooma, Inc. (ticker symbol OOMA):** OOMA is a telecommunications company offering services for business, home, and mobile users. The Team emailed OOMA following research on OOMA. The Team encouraged OOMA to prepare a Sustainability Report following GRI or SASB standards and noted many of the topics generally covered in sustainability reports. The Team also encouraged OOMA to separate the Chairman and CEO positions, remove the classified Board structure, and provide additional shareholder rights.
19. **Natural Gas Services Group (ticker symbol NGS):** NGS is a provider of small to medium horsepower compression equipment to the natural gas industry. The Team emailed NGS following research on NGS. The Team encouraged NGS to prepare a Sustainability Report following GRI or SASB standards and noted many of the topics generally covered

in sustainability reports. The Team also encouraged NGS to separate the Chairman and CEO positions and remove the classified Board structure.

20. **CTO Realty Growth, Inc. (ticker symbol CTO):** CTO is a REIT that owns and operates a portfolio of income properties. The Team emailed CTO following research on CTO. The Team encouraged CTO to prepare a Sustainability Report following GRI or SASB standards and noted many of the topics generally covered in sustainability reports. The Team also encouraged CTO to improve Board gender diversity.
21. **Merchants Bancorp (ticker symbol MBIN):** MBIN is a bank holding company. The Team emailed MBIN following research on MBIN. The Team encouraged MBIN to produce a sustainability report to highlight MBIN's sustainability efforts.
22. **Prudential Financial, Inc. (ticker symbol PRU):** PRU's subsidiaries provide insurance, investment management, and other financial products and services. The Team emailed PRU following research on PRU. The Team encouraged PRU to elect an independent Chairman. The Team also encouraged PRU to disclose whistleblower statistics and code of ethics violations.
23. **First Citizens Bancshares, Inc. (ticker symbol FCNCA):** FCNCA is a bank holding company. The Team emailed FCNCA following research on FCNCA. The Team encouraged FCNCA to publish additional sustainability disclosure in addition to its diversity and inclusion information.
24. **Mr. Cooper Group, Inc. (ticker symbol COOP):** COOP provides mortgage servicing for homeowners and technology and data solutions for the real estate market and companies. The Team emailed COOP following research on COOP. The Team encouraged COOP to elect an independent Chairman. The Team also encouraged COOP to publish more significant sustainability disclosure.
25. **Universal Insurance Holdings, Inc. (ticker symbol UVE):** UVE offers insurance products and claims management. The Team emailed UVE following research on UVE. The Team encouraged UVE to increase the amount of sustainability disclosure they provide.
26. **Amerisafe, Inc. (ticker symbol AMSF):** AMSF is an insurance holding company that provides workers' compensation insurance for small to mid-sized employers in hazardous industries. The Team emailed AMSF following research on AMSF. The Team encouraged AMSF to eliminate the classified Board structure. The Team encouraged AMSF to disclose whistleblower statistics. The Team also encouraged AMSF to disclose employee training statistics, supplier oversight policies, and supplier audit information. Finally, the Team encouraged AMSF to track GHG emissions and create GHG emission reduction goals. AMSF replied and noted that the Board will review the Team's concerns regarding the classified Board structure and whistleblower disclosure. AMSF also noted that it is not engaged in manufacturing, so GHG emissions are minimal. AMSF is considering disclosing emissions relating to employee travel and office electricity use in the future. Finally, AMSF noted it has no significant suppliers and has not conducted any audits.
27. **Civista Bancshares, Inc. (ticker symbol CIVB):** CIVB is a financial holding company that engages in community banking business. The Team emailed CIVB following research on CIVB. The Team encouraged CIVB to provide additional information and data in their ESG reporting. The Team also encouraged CIVB to reference GRI or SASB standards to determine relevant information to present in ESG reports.
28. **Neo Performance Materials, Inc. (ticker symbol NEO-CA):** NEO-CA produces, processes, and develops rare earth metals and engineered materials for advanced technologies. The Team emailed NEO-CA following research on NEO-CA. The Team encouraged NEO-CA to prepare an ESG/Sustainability report in accordance with GRI or SASB standards.
29. **Poshmark, Inc. (ticker symbol POSH):** POSH is a social commerce marketplace where users can buy and sell clothing and accessories. The Team emailed POSH following research on POSH. The Team encouraged POSH to prepare a Sustainability Report in accordance with GRI or SASB standards. The Team encouraged POSH to remove the current

classified Board structure and to remove the multi-class stock with unequal voting rights. The Team also encouraged POSH to provide shareholder rights to call special meetings and act by written consent.

30. **Talon Metals Corp (ticker symbol TLO-CA):** TLO-CA engages in the exploration, mining, and development of minerals such as nickel, copper, and cobalt. The Team emailed TLO-CA following research on TLO-CA. The Team encouraged TLO-CA to elect an independent Chairman and to provide shareholders the right to call special meetings and act by written consent. The Team also encouraged TLO-CA to prepare a Sustainability Report in accordance with GRI or SASB standards.
31. **Critical Elements Lithium Corp (ticker symbol CRE-CA):** CRE-CA is a mining exploration company searching for rare metals, particularly tantalum and lithium. The Team emailed CRE-CA following research on CRE-CA. The Team encouraged CRE-CA to provide shareholders the right call special meetings and act by written consent. The Team also encouraged CRE-CA to prepare a Sustainability Report in accordance with GRI or SASB standards.
32. **Recro Pharma, Inc. (ticker symbol REPH):** REPH develops non-opioid therapeutics for the treatment of pain. The Team emailed REPH following research on REPH. The Team encouraged REPH to remove the current classified Board structure and to provide shareholders the right to call special meetings and act by written consent. The Team also encouraged REPH to prepare a Sustainability Report in accordance with GRI or SASB standards.
33. **Barnes & Noble Education, Inc. (ticker symbol BNED):** BNED owns and operates on-campus college bookstores. The Team emailed BNED following research on BNED. The Team encouraged BNED to elect an independent Chairman and provide shareholders the right call special meetings and act by written consent. The Team also encouraged BNED to prepare a Sustainability Report in accordance with GRI or SASB standards with enhanced environmental disclosure.
34. **Heritage Insurance Holdings, Inc. (ticker symbol HRTG):** HRTG is a property and casualty insurance holding company. The Team emailed HRTG following research on HRTG. The Team noticed HRTG does not provide any sustainability disclosure. The Team offered to arrange a call with HRTG to discuss sustainability disclosure.
35. **First Mid Bancshares, Inc. (ticker symbol FMBH):** FMBH is a financial holding company which engages in the provision of banking services through its subsidiaries. The Team emailed FMBH following research on FMBH. The Team noticed FMBH does not provide any sustainability disclosure besides some employee diversity information. The Team offered to arrange a call with FMBH to discuss sustainability disclosure.
36. **Pennymac Financial Services, Inc. (ticker symbol PFSI):** PFSI is a mortgage lender and servicer. The Team emailed PFSI following research on PFSI. The Team encouraged PFSI to appoint an independent Chairman, disclose complaints made on its whistleblower line, and report employee training statistics. The Team also encouraged PFSI to adopt environmental goals, disclose GHG emissions and energy usage data as well as the amount of energy from renewable sources.
37. **SVB Financial Group (ticker symbol SIVB):** SIVB is a diversified financial services company. The Team emailed SIVB following research on SIVB. The Team encouraged SIVB to disclose complaints made on its whistleblower line, report employee training statistics, adopt environmental goals, disclose year over year GHG emissions and energy use data and the amount of energy coming from renewable sources.
38. **Ultra Clean Holdings, Inc. (ticker symbol UCTT):** UCTT is a developer and supplier of subsystems, components and parts, purity cleaning and analytical services for the semiconductor industry. The Team emailed UCTT following research on UCTT. The Team encouraged UCTT to appoint an independent Chairman, disclose whistleblower line statistics, and to publish a sustainability report in accordance with the GRI framework. Also, the Team encouraged UCTT to disclose climate change risks and opportunities and the number of suppliers audited annually.
39. **Synnex Corporation (ticker symbol SNX):** SNX is an American multinational corporation that provides B2B IT services. The Team emailed SNX following research on SNX. The Team encouraged SNX to appoint an independent Chairman, provide the shareholder right to call special meetings and act by written consent, disclose whistleblower

statistics, and publish a sustainability report in accordance with the GRI framework. The Team also encouraged SNX to disclose climate change risks and opportunities and the number of suppliers audited annually.

40. **Hollysys Automation Technologies Ltd. (ticker symbol HOLI):** HOLI is an automation and IT solutions provider. The Team emailed HOLI following research on HOLI. The Team noticed HOLI does not provide any sustainability disclosure. The Team offered to arrange a call with HOLI to discuss sustainability disclosure.
41. **Fabrinet (ticker symbol FN):** FN is a telecommunications company. The Team emailed FN following research on FN. The Team encouraged FN to declassify its Board, increase the number of female directors, appoint an independent Chairman, provide shareholders the right to call special meetings based upon the request of at least 10% of shareholders and to provide shareholders the right to act by the written consent of the number of shareholders that could act at a meeting. The Team encouraged FN to align its sustainability report with GRI standards and report with TCFD or CDP to identify climate change risks and opportunities associated with its business. The Team encouraged FN to discuss ESG oversight, disclose EEO-1 data, provide training program information and data, set environmental goals, and disclose supplier oversight information.
42. **Zhongsheng Group Holdings Ltd. (ticker symbol 881-HK):** 881-HK is an investment holding company engaged in the distribution of automobiles. The Team emailed 881-HK following research on 881-HK. The Team encouraged 881-HK to align its sustainability report with the GRI framework, to disclose environmental goals and the amount of energy coming from renewable sources. The Team asked 881-HK if any of the motor vehicles it distributes have sustainability characteristics such as alternative fuel capabilities or are EVs. The Team also asked 881-HK to confirm that no employees or suppliers are connected to the Uyghur forced labor issue.
43. **China Yongda Automobiles Services Holdings Ltd. (ticker symbol 3669-HK):** 3669-HK retails passenger vehicles. The Team emailed 3669-HK following research on 3669-HK. The Team encouraged 3669-HK to align its sustainability report with the GRI framework, report with TCFD or CDP to identify climate change risks and opportunities associated with its business, discuss ESG oversight, disclose the amount of energy coming from renewable sources, and adopt environmental goals. Lastly, the Team asked 3669-HK to confirm that no suppliers are connected to the Uyghur forced labor issue.

The Team engaged with the below issuers following shareholder outreach by the company.

1. **Centene Corporation (ticker symbol CNC):** CNC is a care company that serves as an intermediary for government-sponsored and privately insured health care programs. CNC provided a shareholder engagement deck prior to the call. The Team asked CNC to describe ESG highlights, goals, and risks. CNC noted their new ESG Committee and their goal to align reporting with the TCFD framework. CNC has a goal for net zero emissions by 2050. The Team asked CNC if any technological barriers existed that may stop the company from reaching net zero. CNC noted it is still mapping its plan to reach net zero. CNC also noted that they will release a SASB aligned report at the end of this year and provide EEO-1 diversity data in future years. The Team encouraged CNC to elect an independent Chairman and provide shareholders the right to call special meetings and act by written consent. CNC noted that when the current Chairman retires, they will consider electing an independent replacement. CNC also noted that the Board discusses shareholder rights regularly. Following the call, the Team sent CNC a letter to inform them that the Team supports a proposal made by Politan Capital Management to refresh the Board of Directors with appointments of successful healthcare industry veterans. The Team also noted that CNC can do a better job managing the cost structure of acquired assets in its capital allocation strategy.
2. **Lockheed Martin Corporation (ticker symbol LMT):** LMT is an American aerospace, arms, defense, information security, and technology corporation. LMT reached out to the Team following an engagement email the Team sent regarding ESG improvements. The Team noted our preference to see a baseline date as well as a percentage or number to aim for regarding LMT's diversity goal. LMT noted its diversity is in line with the industry average. The Team asked what types of challenges LMT faces associated with increasing diversity and LMT noted the graduation rates

for women in STEM are low and not everyone is eligible to work at LMT due to the requirement for employees to be U.S. citizens. The Team asked LMT how it ensures suppliers located in countries identified as high risk for human trafficking are not subject to forced labor. LMT noted its robust internal auditing program and is working to establish proof points to ensure no contact with forced labor when working with global commercial supply chains.

3. **Huntington Bancshares (ticker symbol HBAN):** HBAN is an American bank holding company. HBAN reached out to the Team for feedback on its ESG practices and disclosure. The Team noted our preference for issuers to disclose whistleblower statistics. The Team asked how HBAN plans to reach their 50% renewable energy goal by 2025. HBAN noted a mix of on-site renewable energy and power purchase agreements but does not intend to use carbon offsets. The Team asked about HBAN's net zero roadmap. HBAN noted its focus on reducing emissions through efficiency, renewable energy generation, and engaging with partners to reduce scope 3 emissions. HBAN asked about governance. The Team noted our preference for an independent Chairman. HBAN asked if the Team likes to see ESG metrics included with compensation. The Team noted ESG compensation should align with meeting emission reduction goals and diversity targets.
4. **Phillips 66 (ticker symbol PSX):** PSX is a diversified energy manufacturing and logistics company. PSX reached out to the Team for an offseason engagement call. PSX described its new GHG emissions reduction targets for scopes 1, 2, and 3. PSX noted its dependence on emerging technology to meet future targets and noted the GHG emission reduction targets generate returns. PSX also noted they have a detailed plan in place to meet the goals. Also, progress related to the GHG emissions reduction targets are embedded into the compensation program. PSX is unsure whether or not EVs or Green Hydrogen will prevail, but they are in a good position since they understand both well. PSX noted green hydrogen is 7-8x the cost of normal hydrogen production and believes hydrogen still has a way to go in terms of technological development and cost. The Team asked if PSX is hampered by the amount of money put into R&D. PSX said they are putting more money into renewables than new technology development.
5. **Oracle Corporation (ticker symbol ORCL):** ORCL provides products and services that address enterprise information technology environments worldwide. ORCL reached out to the Team prior to their annual meeting. The Team relayed how Boston Partners intended to vote. ORCL was primarily focused on the say-on-pay proposal, which Boston Partners was set to vote against. ORCL disagreed with the assessment that executive compensation awards were front-loaded. ORCL argued that the grants focused on long term goals and were aligned with performance. ORCL also mentioned that other shareholders had expressed concerns about CEO and Chairman retention due to the fact that neither had been paid significantly over the past several years, relative to peers.
6. **Axis Capital Holdings Limited (ticker symbol AXS):** AXS provides various specialty insurance and reinsurance products worldwide. AXS reached out to the Team to discuss ESG topics. AXS stated that climate change is a material issue and they have been slashing their exposure in areas with high climate risk. The Team encouraged AXS to declassify their Board. AXS appreciates the stability and predictability of the classified structure but will continue to discuss internally the issue annually. The Team encouraged AXS to report whistleblower statistics, employee training statistics, and EEO-1 data. AXS is on the path towards publishing a TCFD report.
7. **State Street Corporation (ticker symbol STT):** STT services institutional investors and manages financial assets worldwide. STT reached out to the Team to discuss ESG topics. The Team questioned STT about their response to previous overcharging issues. STT changed their company culture to encourage speaking up and implemented comprehensive programs to mitigate risks relating to billing practices. The Team encouraged STT to disclose publicly whistleblower statistics. STT currently shares this data internally and is hesitant to disclose publicly. STT mentioned that sustainability is a prerequisite for doing business with many European clients. The Team encouraged STT to appoint an independent Chairman. STT's current lead director provides strong independent oversight and attends all committee meetings.
8. **The Travelers Companies, Inc. (ticker symbol TRV):** TRV is an American insurance company. TRV reached out to the Team as part of its shareholder engagement program. The Team encouraged TRV to disclose whistleblower statistics.

TRV expressed concern that publishing this information may discourage employees from reporting. The Team asked if TRV has diversity goals in place to improve POC representation in upper management. TRV has fewer opportunities for promotion and advancement given the low turnover rates. TRV mentioned that the representation of the area in which they are located aligns well with the diversity of their workforce. The Team asked if there is a plan to reach the 2030 carbon neutral goal and increase the amount of energy coming from renewables. TRV is working on energy efficiencies and retrofitting. However, TRV is not able to reach its goal without the use of carbon offsets.

9. **Flushing Financial Corporation (ticker symbol FFIC):** FFIC is a parent holding company for Flushing Bank. FFIC setup a call to discuss its sustainability disclosure. The Team brought up the classified Board and FFIC said a classified Board is not uncommon for smaller banks. The Team mentioned our preference for sustainability information to be disclosed in a formal sustainability report in accordance with GRI standards. The Team noted GRI is the most comprehensive and SASB and TCFD are great supplements, but TCFD only covers climate change and SASB may not cover all information investors are looking for regarding certain industries.
10. **ITT, Inc. (ticker symbol ITT):** ITT is a diversified leading manufacturer of highly engineered critical components and customized technology solutions for the energy, transportation, and industrial markets. ITT reached out to the Team as part of its shareholder engagement program. The Team noted our preference to provide a complete sustainability report annually instead of a biennial report with annual supplements. ITT noted 2020 circumstances, COVID-19 in particular, as the main reason for not providing a full report. The Team asked if any part of sustainability is material to the valuation of ITT's stock. ITT noted that sustainability is not a driving force yet in terms of valuation, but by removing asbestos liability, ITT has improved their financial situation and stock valuation. The Team asked if ITT has environmental goals related to reducing GHG emissions or increasing the amount of energy sourced from renewables. ITT is committed to issuing both intermediate and long-term targets in 2022. The Team noticed the injury severity rate increased from 2019 to 2020 and asked about the cause of the increase. ITT noted it is focusing on reducing the total number of injuries and had hoped with less injuries that the severity rate would also decrease, but that was not the case. ITT explained the increased severity rate was due to a few reckless incidents and ITT is trying to shift culture to improve safety, including dismissing "risky" personnel.
11. **Korn Ferry (ticker symbol KFY):** KFY is a management consulting firm. KFY reached out to the Team to discuss ESG efforts including their Say-on-Pay and Human Capital practices. KFY explained their plan to return to pre-COVID executive compensation practices. KFY talked about two new training programs, one focuses on developing emerging professionals and the other targets underrepresented future leaders. KFY formed an environmental sustainability committee and set a new science-based target. GHG emissions reduced significantly from 2019 to 2020, primarily due to COVID. KFY explained their difficulties gathering renewable energy data from power providers and landlords. KFY mentioned a new ESG program being rolled out for their clients.
12. **Dover Corporation (ticker symbol DOV):** DOV is an American conglomerate manufacturer of industrial products. DOV reached out to the Team as part of its shareholder engagement program. The Team mentioned our preference to see the percentage of revenue derived from sustainable products. DOV noted the sustainability steering committee came up with a definition for sustainable products but ultimately decided to focus on innovation related to sustainability with a particular emphasis on reducing scope 3 emissions. The Team asked if any part of sustainability is material to the valuation of DOV's stock. DOV explained customers are demanding sustainable products, but sustainability does not have a material effect on valuation right now. Sustainable products are important to their long-term success because sustainable products have multiple benefits besides sustainability including cost savings. The Team noted our preference to see waste information associated with DOV's operations and to report on the amount of supplier auditing done. DOV explained they are moving in the direction to disclose waste information because of the CDP response and are currently using EcoVadis for suppliers but will look into the RBA. Lastly, the Team encouraged DOV to disclose statistics relating to reports made on its whistleblower hotline. DOV has not thought of disclosing this information before because of the legal risk and would not report on it unless its peers do as well.

13. **Western Digital Corporation (ticker symbol WDC):** WDC is an American computer hard disk drive manufacturer and data storage company. WDC reached out to the Team as part of its shareholder engagement program. The Team mentioned our plan to vote against the stock plan amendment because of the adjusted burn rate being in excess of 3.5%. The Team asked if WDC has any goals in place to increase women in management. WDC noted they have a large number of women applying for manufacturing positions. WDC also noted they have women's development programs and business resource groups in place to improve representation. The Team asked if WDC includes ESG metrics in executive compensation. WDC noted that short term incentives are made up of 25% individual performance goals that executives set for themselves annually. WDC noted that some executives have included D&I targets in their individual compensation goals but do not currently require ESG metrics. The Team asked if RBA has audited WDC's own factories. WDC noted that RBA does conduct supplier audits on its factories and WDC was recently praised for great performance. The Team asked if WDC uses labor brokers and WDC noted they do but for the sole purpose of identifying candidates. WDC verified it does not use Uighur forced labor in its supply chain. The Team asked how supply constraints related to COVID-19 have affected the business. WDC mentioned supply chain disruptions continue to affect them, but they try to anticipate supply chain disruption and rely on positive long-term relationships with suppliers. The Team asked what the source of power generation is for its Asian plants given China is a heavy coal user and if WDC is using any on-site power generation. WDC is focused on reducing emissions in Asia and committed to SBTs, reducing emissions by 42% over 10 years, and mapped out a plan of how to get there. The Team noted that around 8% of WDC's electricity consumed is from renewable sources and asked if WDC plans to increase renewable energy consumption from on-site generation. WDC does not think there is real potential for energy to be generated from on-site solar and that it is probably going to remain in the single digits due to the size and location of its sites. WDC's primary strategy for its current facilities is relying on PPAs.
14. **Realogy Holdings Corp. (ticker symbol RLGY):** RLGY is a real estate and relocation services company. RLGY reached out to the Team as part of its shareholder engagement program. RLGY presented an overview of ESG efforts. The Team encouraged RLGY to include workforce diversity data, such as an EEO-1 report, in future disclosure. RLGY noted it hopes to make incremental disclosure progress towards EEO-1. The Team encouraged RLGY to disclose training statistics. RLGY noted that it hopes to include this in future reports. The Team asked if RLGY plans to align their report with SASB, GRI, or other frameworks in the future. RLGY noted that it plans to wait for a standardized format to be released by the SEC. The Team asked if RLGY considers climate change to be a material issue for its business. RGLY noted it considers climate change in its risk analysis, such as severe weather events. RGLY also noted its plans to reduce office space and have employees work from home, which should reduce company emission.
15. **Whirlpool Corporation (ticker symbol WHR):** WHR manufactures and markets home appliances. WHR reached out to the Team as part of its shareholder engagement program. WHR provided a background of the company's sustainability efforts from engaging in social issues, to publishing its first sustainability report in 2008, and to recently announcing its net zero emissions goals by 2030. The Team encouraged WHR to elect an independent Chairman. WHR noted that the combined CEO and Chairman position is best for their governance at the moment but considers this issue annually. The Team asked WHR what they are doing to ensure product safety following product recalls. WHR noted programs and steps taken to protect customers including product testing and voluntary recalls. The Team asked if WHR had any reliance on technological development to reach net zero targets. WRH noted highlights in its roadmap to reach net zero and mentioned that new energy efficient equipment may be needed to reach targets. The Team asked if WHR believes sustainability has a material and quantifiable effect on the value of its stock. WHR noted that sustainability has always been a part of its mission and with increasing stakeholder interest in sustainability, it is having a greater effect.
16. **Textron, Inc. (ticker symbol TXT):** TXT is an American industrial conglomerate. TXT reached out to the Team for a shareholder engagement call. The Team asked if the carbon neutral commitment would rely on offsets/credits or if it would be more about on-site energy generation. TXT noted offsets are a last resort option and TXT will only consider offsets if they are not able to successfully transition from fossil fuels. The Team asked if TXT has a plan in

place to meet its 2025 GHG and energy intensity goals. TXT noted COVID-19 hurt progress towards these goals and noted revenue was down so that affected intensity. The Team asked to what extent SAF has been incorporated into training and demonstration aircrafts engines. TXT noted there is a 30% mix of SAF spread out between all its engines. The Team asked what sustainability requirements the U.S. government is requiring and if it's changed with the Biden administration. TXT noted the Biden administration has issued a few executive orders, but nothing has passed yet. TXT mentioned their larger shareholders are not comfortable with a reduced ownership requirement for shareholders to call a special meeting to 10% percent and would prefer 25%. TXT is concerned about activist shareholders getting together that wouldn't be to the benefit of the majority shareholders. The Team noted we support a 10% standard for the right to act by written consent.

17. **UCB S.A. (ticker symbol UCB-BE):** UCB-BE is a biopharmaceutical company. UCB-BE setup a call to discuss the email the Team sent following research. UCB-BE asked how Boston Partners uses its ESG disclosures in the investment process. The Team explained the type of information we typically request and noted our sustainability reviews are done to help financial analysts identify material sustainability topics. The Team asked if UCB-BE uses labor brokers in its operations in China and if any of its suppliers were in China. UCB-BE owns a small production site in China and controls the entirety of its operations. UCB-BE confirmed it does not have any Uighur involvement in its supply chain. The Team noted as of 2020, 95% of electricity is sourced from renewable sources. The Team asked if there was a cost/benefit analysis done for the renewable sourcing or if it was purely provided by the grid. UCB-BE noted in the beginning they made some money from onsite generation but now are making small compromises. The Team asked if UCB-BE has a hard time finding diverse candidates for its drug tests. UCB-BE noted they have trouble recruiting diverse volunteers but travel to where the diverse candidates are to recruit volunteers. The Team asked if any part of sustainability was material to the valuation of UCB-BE's stock. UCB-BE said the diversity of patient populations is material because it enhances the quality of the data.
18. **Diamondback Energy, Inc. (ticker symbol FANG):** FANG is an independent oil and natural gas company, focused on the acquisition, development, exploration, and exploitation of onshore oil and natural gas reserves in the Permian Basin in West Texas. FANG reached out to the Team to discuss ESG topics. FANG announced their Net Zero Now initiative, as of 1/1/21. FANG is also conducting significant operational overhauls in the field, including ending routine flaring. FANG is drawing talent from new universities in an effort to increase diversity. FANG also began training their management team on Diversity, Equity, & Inclusion. FANG recently conducted a Board refresh, increasing female representation. FANG increased the weighting of ESG metrics on executive compensation. FANG focuses on short-term emissions reduction targets that are realistic, rather than long term targets that may not be feasible without new technology.
19. **Altria Group, Inc. (ticker symbol MO):** MO is a producer and marketer of tobacco, cigarettes, and related products. The Team sent MO an email following research and MO setup a call to discuss. The Team asked how often MO sees Green Tobacco Sickness affecting farmers and if they have any preventative measures in place. MO developed new PPE similar to Tyvek suits to protect farmers and through the GAP certification program they are able to monitor cases and employees can report instances of exposure. The Team encouraged MO to report data that confirms the use of training programs by employees including the average hours of training per employee annually and/or the percent of the workforce participating in these programs. MO mentioned they track enterprise-wide training on myPath but some of the training is not tracked and MO is working to track all training programs on myPath which will support collection of more specific data. The Team asked if MO has plans to increase the amount of energy coming from renewables in order to achieve its 2030 100% renewable electricity goal. MO plans on using PPEs to meet its goal. The Team asked if MO has a plan to reduce the amount of water used from high water stressed areas. MO mentioned Eastern Washington was experiencing drought, which was the cause of the increase, but MO sold its wine business this past October and expects the water used from high water stressed areas to go down to zero in 2021 since the wine business accounted for 80% of MO's total water use. MO addressed the Team's suggestion to provide shareholders the right to call special

meetings based upon the request of at least 10% of shareholders. MO believes that the 10% threshold is too low given it can offer activists a platform that could cause a distraction to the business.

20. **Caterpillar Inc. (ticker symbol CAT):** CAT designs, develops, engineers, manufactures, markets, and sells machinery, engines, financial products, and insurance to customers. CAT reached out to the Team to provide a sustainability update and answer questions. CAT noted 3 important points: ESG performance will be incorporated into executive compensation; CAT will use the TCFD framework in 2023; and CAT added a Chief Sustainability and Strategy Officer to connect ESG efforts throughout the organization. The Team encouraged CAT to elect an independent Chairman and provide shareholders the right to act by written consent. CAT noted that a combined CEO and Chairman is determined to be most beneficial for the company and shareholders at the moment but will consider written consent. The Team also encouraged CAT to disclose whistleblower statistics and supplier audit statistics. CAT noted that it uses these internally and will discuss making them public. The Team asked if CAT expects any challenges in achieving long term environmental goals. CAT notes its investments in cleaner energy technology depend on customer demand. CAT also notes it invests in a variety of technologies at the moment that show promise, such as renewable energy technology, electric vehicles, and hydrogen powered engines.
21. **Cigna Corporation (ticker symbol CI):** CI is an American multinational managed healthcare and insurance company. CI reached out to the Team to discuss ESG topics. CI responded to the Team's concerns about controversial sensitivity training and restrictive hiring. CI clarified that the program was completely voluntary, and they seek a diverse talent pool when hiring for new positions. CI has a strategy to achieve 100% renewable electricity by 2030 through a combination of Renewable Energy Credits and onsite solar power. CI recently hired a managing director to oversee supply chain management and to set out a 5-year road map. CI signed an agreement with EcoVadis to screen their suppliers for sustainability concerns. CI has a plan for achieving their long-term sustainability goals, but they expect the plan to evolve over time. CI does not view climate change as a material risk to their business at this time. CI is in the midst of reassessing their ESG strategy to ensure that it aligns with their business strategy.
22. **Enerplus Corporation (ticker symbol ERF):** ERF is an oil and gas producer. ERF reached out to the Team for a shareholder engagement call. The Team asked how ERF communicates with Tribal leaders to ensure there is no drilling on sacred land. ERF has never had any issues communicating with tribal leaders given they were granted permission to be there. The Team asked if ERF is involved in or knows of any progress related to gas capturing infrastructure and if this is the most important part of ERF's GHG reduction strategy. ERF has laid out GHG reduction targets and uses vapor recovery units and checks flare stacks to ensure combustion is occurring. ERF mentioned the Bakken infrastructure is slow to catch up but most of the base has gas processing now. Also, North Dakota has increased its gas capture requirement to 90% and ERF meets or exceeds it. The Team asked if ERF could see themselves as a potential producer of hydrogen and if there is an R&D budget dedicated to this. ERF mentioned they have not created a climate strategy or 2050 targets but are looking into vertical farming, investing in renewable fuel possibilities, and CCS. All of these strategies are circling, and they have not landed on a specific strategy at this point. ERF asked if the Team noticed any ESG disclosure deficiencies and the Team noted ERF reports on gender diversity of employees and officers but would like to see disclosure of management level diversity.
23. **Huntington Ingalls Industries, Inc. (ticker symbol HII):** HII is a military shipbuilding company. HII reached out to the Team for a shareholder engagement call. HII received a stockholder proposal to reduce the 20% share threshold to 10% and notified the Team that it will likely be in the proxy statement next year. The Team communicated that 10% is our policy and we would support that resolution. The Team asked if sustainability/ESG is material to the business or stock price and HII mentioned ESG is evolving from a regulatory perspective with increased environmental requirements. HII is hiring a third-party consultant to help them with ESG reporting. The Team sent HII an email following the call with ESG disclosure suggestions. The Team asked how HII disposes of the spent nuclear fuel. HII said it gets handled principally and is shipped off to government facilities. HII is focused on minimizing risk in transit. The Team asked how much the nuclear-powered vessels cost compared with a conventionally powered vessel. HII said nuclear powered

vessels are costly up front but on the back end it pays dividends. Over time the operational costs will neutralize the upfront investment since these ships run longer and the fueling that goes into a conventional ship is no longer needed.

24. **Ameriprise Financial, Inc. (ticker symbol AMP):** AMP is a diversified financial services and bank holding company. AMP contacted the Team as part of its ongoing shareholder engagement program. The Team asked if sustainability was material to AMP's business or stock price and AMP said they are a signatory to the PRI, so their ESG and RI offerings meet clients' needs. The Team asked AMP to describe its sustainable product/service offerings. AMP's wealth manager has some ESG offerings, but they are small in relation to the total. The Team noted AMP's increased diversity disclosure and asked if AMP has any goals in place to increase women in management and POC across the company. AMP explained they have affirmative action plans, are working on equality in pay, and have a Chief of Diversity and D&I specialists to increase diversity metrics. The Team encouraged AMP to disclose statistics relating to reports made on its whistleblower hotline. AMP noted they report whistleblower claims to the Board and the Team sent examples after the call. AMP asked about its governance structure and the Team noted our preference for a separate CEO and Chairman and additional shareholder rights such as the shareholder right to call special meetings at 10% and the shareholder right to act by written consent.
25. **Howmet Aerospace Inc. (ticker symbol HWM):** HWM manufactures components for jet engines and aluminum wheels for heavy trucks. HWM contacted the Team for a shareholder engagement call. HWM provided an ESG overview of 2020 achievements and changes including GHG emission reductions. HWM noted its Co-CEO succession plan failed and will begin searching for a new CEO in the near future. The Team noted our preference for an independent Chairman. The Team asked HWM to provide insight to its environmental goal setting process. HWM noted its plan to share new environmental targets in the next ESG report – these targets will be focused on the short term because changing technologies makes it not feasible to set very long-term goals. The Team asked HWM how it views the materiality of sustainability on its stock. HWM noted long-term product improvements and environmental efficiencies have provided and will further provide a competitive advantage for HWM.
26. **Evercore, Inc. (ticker symbol EVR):** EVR is a global independent investment banking advisory firm. EVR contacted the Team for a shareholder engagement call. The Team brought up the lack of women in senior management and asked for information regarding plans to increase female representation. EVR mentioned the difficulty to attract diverse candidates without examples of diverse employees succeeding at the company. EVR asked if they should disclose EEO-1 data and the Team communicated our support for EEO-1 disclosure and to see employees involved in professional development training progress up the ladder. EVR has always aligned pay and performance and believes equity is the best way to retain people. EVR does not fit a traditional compensation model given the nature of their business and does not think ISS will support its compensation plan next year. The Team told EVR to setup a call sometime before the annual meeting and to get in touch with the financial analyst so the governance committee can meet prior. The Team sent EVR an email following the call with ESG disclosure deficiencies in preparation for their next ESG report.
27. **Best Buy Co., Inc. (ticker symbol BBY):** BBY retails technology products in the United States, Canada, and Mexico. BBY reached out to the Team to discuss ESG topics. The Team encouraged BBY to report whistleblower statistics. BBY recently began to focus on this area and is in the process of collecting this data. BBY plans to provide additional disclosure regarding employee development opportunities in their next report. BBY also added a KPI for average training hours per year. BBY's Chief D&I Officer spoke about BBY's D&I goals. BBY is focused on improving diversity in leadership, monitoring retention rates, and building pipelines for people who do not have opportunities.
28. **Zimmer Biomet Holdings, Inc. (ticker symbol ZBH):** ZBH designs, manufactures, and markets orthopedic products including artificial joints and dental prostheses. ZBH contacted the Team for a shareholder engagement call. The Team noted our preference for an independent Chairman. ZBH noted that the CEO and Chairman positions were recently combined and will consider our preference. ZBH gave a brief ESG update and noted that its new SBTi certified goals will be included in its next sustainability report. The Team asked if ZBH has a thought-out plan to reach its targets. ZBH noted the rigorous approval process of setting science-based targets and the company plans to discuss progress

towards targets in future sustainability reports. The Team asked if ZBH considers sustainability to be material to the valuation of its stock. ZBH noted that sustainability is having an increasing importance and that by having a better sustainability profile, the company has the opportunity to engage with more investors. ZBH asked the Team if we have identified areas to improve disclosure. The Team noted that sustainability structure and alignment with various standards and frameworks generally improves issuers sustainability profiles.

29. **Universal Insurance Holdings, Inc. (ticker symbol UVE):** UVE is a holding company offering property and casualty insurance and value-added insurance services. The Team emailed UVE following research and UVE setup a call to discuss. UVE discussed its partnerships including the EPA Green Power Partner which resulted in purchasing 25% of its renewable energy through RECs. UVE switched from buying plastic water bottles to installing an Elkay water filtration system and revamped its consumer facing websites to make it easier for customers to submit claims and view documents electronically. UVE is in the process of launching a dedicated ESG section on its parent website. The Team sent UVE an email after the call with ESG disclosure suggestions.
30. **American Axle & Manufacturing Holdings, Inc. (ticker symbol AXL):** AXL is a manufacturer of automobile driveline and drivetrain components and systems. AXL reached out to the Team to discuss ESG topics. The Team had previously sent an email to AXL containing a few governance discussion topics. The Team encouraged AXL to appoint an independent Chairman and to eliminate the classified Board. AXL had heard this feedback from other shareholders. AXL's Chairman is a long-term industry veteran and AXL feels the declassified Board can be disadvantageous due to the cyclical nature of the industry. The Team encouraged AXL to provide shareholders the right to call special meetings and the right to act by written consent. AXL reviews ethics line reports internally. The Team encouraged AXL to include ethics line statistics in their next sustainability report. AXL is announcing new environmental targets in their next sustainability report. AXL believes sustainability is material to the value of their company. Superior sustainability performance can give AXL an advantage against their competitors.
31. **AGCO Corporation (ticker symbol AGCO):** AGCO designs, produces, and sells tractors and related agricultural machinery. AGCO reached out to the Team to discuss compensation and ESG topics. AGCO gave an overview on Board refreshment and changes to its compensation program. The Team noted our preference for an independent Chairman. AGCO noted its new sustainability integration into its business operations and related sustainability goals. The Team asked if AGCO plans to provide environmental data, such as GHG emissions, in its next sustainability report. AGCO noted that its next sustainability report will include substantially more information, including environmental data. The Team asked how AGCO plans to extend renewable energy use from its current 40% to its goal of 60% by 2026. AGCO noted multiple small changes it plans to make and noted that it plans increase solar generation and renewable energy purchasing from the grid, especially in European operations. The Team asked if AGCO is ahead or behind competitors in regard to soil health and carbon sequestration goals. AGCO believes that the company is well positioned to implement and advance technology ahead of competitors. The Team asked how AGCO plans to monetize animal welfare. AGCO noted its technological tools that monitor animal welfare can be implemented for improved efficiencies and sold. Finally, the Team asked AGCO to include employee development opportunities, gender diversity statistics, and whistleblower claim statistics in its upcoming report. AGCO noted its plans to improve reporting and will discuss additional disclosure with the Board and management.

### Proxy Voting:

The Team sent a letter to the following issuers informing each issuer of Boston Partners' proxy vote against management.

1. **Matrix Service Company (ticker symbol MTRX):** Voted against five director nominees because they are members of the nominating committee, and the board does not have any underrepresented directors. Boston Partners supports diversity in leadership.
2. **Chubb Limited (ticker symbol CB):** Voted against other business because the details of other business were not disclosed and shareholders did not have the opportunity to make a fully informed vote.

3. **KLA Corporation (ticker symbol KLAC):** Voted against one director nominee due to overboarding concerns.
4. **Western Digital Corporation (ticker symbol WDC):** Voted against the company's omnibus stock plan because their three-year average adjusted burn rate exceeds three and a half percent, which Boston Partners deems excessive.
5. **Investors Bancorp Inc. (ticker symbol ISBC):** Voted against the advisory vote on golden parachutes. Most NEOs would be eligible to receive cash severance on a modified single trigger basis. In addition to cash severance entitlements, two NEOs will receive large restrictive covenant payments, most NEOs will receive single trigger change-in-control bonuses, and NEOs are eligible for enhanced SERP benefits, though the magnitude of such SERP benefits was not disclosed. Excise tax gross-up amounts were also not disclosed.
6. **BGC Partners Inc. (ticker symbol BGCP):** Voted against one director nominee because he is non independent and the company lacks a formal nominating committee. Voted against the ratification of named executive officers' compensation and amendments to the company's omnibus stock plan for several reasons.
7. **Angang Steel Company Limited (ticker symbol 347-HK):** Voted against a proposed related-party transaction. The related-party transaction is a financial service agreement with the group finance company ("GFC"), which may expose the company to unnecessary risks. Financial services arrangements with GFCs could create a case where it appears to provide steady low-risk return but could result in a catastrophic decline.
8. **Microsoft Corporation (ticker symbol MSFT):** Voted for reports on the gender/racial pay gap, the effectiveness of workplace sexual harassment policies, and on the alignment of lobbying activities with company policies.

**Boston Partners voted the following number of proxies:**

Number of meetings: 31

Number of issues: 238

**Disclosure**

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