

Sustainability and Engagement at Boston Partners

Engagement Report

The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions during August 2022:

Calls, Meetings, and Correspondence with Issuers:

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

- 1. Bel Fuse, Inc. (ticker symbol BELFB):** BELFB designs and manufactures electronic components that protect and connect electronic circuits. The Team emailed BELFB following research on BELFB. The Team encouraged BELFB to publish a sustainability report in accordance with GRI or SASB standards. Additionally, the Team encouraged BELFB to eliminate the classified board structure and the dual class share structure with unequal voting rights. Finally, the Team asked BELFB what measures are in place to prevent the use of forced labor at its manufacturing facilities and within its supplier base in China.
 - 2. Minerals Technologies, Inc. (ticker symbol MTX):** MTX is a resource and technology-based company that produces a broad range of specialty mineral, mineral based and synthetic mineral products and related systems and services. The Team emailed MTX following research and a call was setup after the release of its newly published sustainability report. The Team noted our preference for an independent Chairman and declassified Board. MTX noted they regularly consider both topics but found that the board structure continues to work well since it provides continuity and has contributed to MTX’s success. The Team asked if any suppliers are in areas of high risk for forced labor particularly the Xinjiang region. MTX noted they have business in China, but no facilities are in the Northwest region. The Team asked if they perceive the conversion to natural gas to be more difficult in certain areas and asked about the main challenges with the conversion. MTX noted natural gas is not always available or is in limited supply during the winter season and MTX must use an alternative. The Team asked if MTX has conducted a cost/benefit analysis on its carbon capture and sequestration project. MTX noted they would be capturing more CO₂ than they are generating but that would be excluding the CO₂ emitted when the supplier produces lime. MTX noted once they begin reporting scope 3 emissions, they will work with suppliers to reduce the CO₂ emitted during the lime production process.
 - 3. Nextier Oilfield Solutions, Inc. (ticker symbol NEX):** NEX is a predominately U.S. land focused oilfield service company, with a diverse set of well completion and production services across a variety of basins. The Team emailed NEX following research on NEX. The Team encouraged NEX to increase the number of female directors on the Board, to disclose EEO-1 data, to align its sustainability report with a recognized framework such as GRI and/or SASB, to provide data to support the use of professional development programs by employees including the average hours of
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training per employee annually, to report climate change related risks and opportunities in accordance with TCFD or CDP, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.

- 4. Delek US Holdings, Inc. (ticker symbol DK):** DK is a diversified downstream energy company with assets in petroleum refining, logistics, asphalt, renewable fuels and convenience store retailing. The Team emailed DK following research and DK setup a call to discuss. The Team noted our preference for an independent Chairman and DK noted the Chairman served as CEO and President until June 2022 and they do not have plans to alter this structure. The Team asked if DK plans to increase female representation at the executive and senior manager level. DK noted they have a target of increasing the number of diverse employees throughout the enterprise by 3%. The Team encouraged DK to disclose a description of professional development opportunities and usage by employees and DK noted they launched a leadership development program in 2022 and will be incorporating average hours of training in the next report. DK also noted they plan to disclose water usage in the next sustainability report. The Team asked if DK conducts audits on its suppliers. DK noted they have supplier social standards and incorporate reference to these standards in new contracts but not have a formal auditing process but have a small number of foreign suppliers. DK noted their Paris aligned environmental target does not require outside technologies, but they have an innovation team to study new technologies. The Team asked at what blend capacity DK Renewables waste stream feedstocks are being utilized. DK noted they will get back with the blend capacity, but noted they are looking into Camelina as a feedstock as well. The Team noted a targeted decrease in reportable environmental events was added into annual incentive compensation and asked what the main driver is for incorporating the prevention of environmental liability and what types of environmental events DK is looking to prevent. DK noted they have a desire to operate with fewer spills and prevent the contamination of soil and groundwater.
- 5. Terex Corporation (ticker symbol TEX):** TEX is a global manufacturer of aerial work platforms and materials processing machinery. The Team emailed TEX following research and TEX setup a call to discuss. In addition to addressing the suggestions/questions sent in the email, the Team asked what portion of the R&D budget is spent on sustainable improvements/technologies like electrification and the amount of revenue derived from products classified as sustainable. TEX did not have numbers readily available but said the Viatec investment allows trucks to operate without using internal combustion engines and lots of their products have electric options to satisfy customer demand. TEX recently announced they are making a Series A investment in Acculon Energy, an engineering and connectivity company focused on developing the next generation of electrification solutions for non-automotive equipment applications.
- 6. Ingevity Corporation (ticker symbol NGVT):** NGVT manufactures and sells specialty chemicals and activated carbon materials. The Team emailed NGVT following research on NGVT and suggested that NGVT provide the right for shareholders to act by written consent and call a special meeting at a 10% threshold. The Team also asked whether NGVT's solar panels have components sourced from Uighur forced labor.
- 7. Allison Transmission Holdings, Inc. (ticker symbol ALSN):** ALSN is a signer and manufacturer of vehicle propulsion solutions for commercial and defense vehicles, the largest global manufacturer of medium- and heavy-duty fully automatic transmissions, and a leader in electrified propulsion systems. The Team emailed ALSN following research on ALSN. The Team encouraged ALSN to adopt an independent Chairman, to disclose complaints made on its whistleblower line, to disclose a description of professional development opportunities and data to back up the use of professional development opportunities by employees, to disclose climate change risks and opportunities in accordance with TCFD or CDP, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken. The Team asked ALSN if they aim to set environmental goals in the coming years.
- 8. Regency Centers Corporation (ticker symbol REG):** REG is a real estate investment trust. The Team emailed REG following research on REG. The Team encouraged REG to adopt an independent Chairman, to disclose complaints

made on its whistleblower line, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.

9. **Lithia Motors, Inc. (ticker symbol LAD):** LAD is an American automotive dealership. The Team emailed LAD following research on LAD. The Team encouraged LAD to adopt an independent Chairman, to disclose complaints made on its whistleblower line, to disclose year over year environmental data including GHG emissions, energy consumption and waste and water usage, to disclose climate change risks and opportunities in accordance with CDP or TCFD, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken. The Team asked if there is board level oversight of ESG and if LAD plans to increase representation of women across the workforce and management.
10. **TE Connectivity Ltd. (ticker symbol TEL):** TEL manufactures connectors and sensors for several industries. The Team emailed TEL following research on TEL. The Team asked what the reason is for the increase in TRIR and LTIFR year over year. The Team also asked how many suppliers are identified as high risk out of the approximately 32,000 total suppliers and how much revenue is derived from sustainable products in the transportation solutions segment.
11. **Aon Plc (ticker symbol AON):** AON is a British-American multinational financial services firm. The Team emailed AON following research on AON. The Team encouraged AON to disclose data to back up the use of professional development opportunities by employees, to disclose complaints made on its whistleblower line, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
12. **Allegion Plc (ticker symbol ALLE):** ALLE is a provider of security products and solutions. The Team emailed ALLE following research on ALLE. The Team encouraged ALLE to adopt an independent Chairman, to disclose data to back up the use of professional development opportunities by employees, to provide a description of its safety programs to ensure there are initiatives in place to improve safety rates, to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken, and to disclose climate change risks and opportunities in accordance with TCFD or CDP. The Team also asked if ALLE has a plan to create new diversity goals.
13. **Jabil, Inc. (ticker symbol JBL):** JBL is an American worldwide manufacturing services company. The Team emailed JBL following research on JBL. The Team encouraged JBL to adopt an independent Chairman, to provide shareholders the right to call special meetings based upon the request of at least 10% of shareholders, to provide shareholders right to act by the written consent of the number of shareholders that could act at a meeting, and to disclose complaints made on its whistleblower line. The Team asked if JBL has a plan in place to reach its environmental goals.
14. **Alaska Air Group, Inc. (ticker symbol ALK):** ALK is an airline holding company. The Team emailed ALK following research on ALK. The Team encouraged ALK to disclose complaints made on its whistleblower line, to disclose a description of professional development opportunities and data to back up the use of these programs by employees, to provide a description of its safety programs to ensure there are initiatives in place to improve safety rates, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
15. **Fiesta Restaurant Group, Inc. (ticker symbol FRGI):** FRGI owns, operates, and franchises for the Pollo Tropical restaurant brand. The Team emailed FRGI following research on FRGI. The Team encouraged FRGI to publish a sustainability report in accordance with GRI and/or SASB as it provides a helpful framework for the types of disclosures we typically request.
16. **Kennedy-Wilson Holdings, Inc. (ticker symbol KW):** KW is a real estate investment company. The Team emailed KW following research on KW. The Team encouraged KW to adopt an independent Chairman, to declassify the Board, to disclose complaints made on its whistleblower line, to disclose data to back up use of professional development programs by employees, to report climate change risks and opportunities in accordance with TCFD or CDP, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken. The Team also asked if KW plans to adopt environmental goals.

17. **Orion Corp (ticker symbol 271560-KR):** 271560-KR is a South Korean confectionery company. The Team emailed 271560-KR following research on 271560-KR. The Team encouraged 271560-KR to adopt an independent Chairman, to add female directors to the Board, to publish a sustainability report in accordance with GRI and/or SASB, to provide diversity data of the workforce and management, to provide further information on safety programs and safety rates, to disclose climate change risks and opportunities in accordance with TCFD or CDP, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
18. **Webster Financial Corporation (ticker symbol WBS):** WBS is a regional financial services company. The Team emailed WBS following research on WBS. The Team encouraged WBS to adopt an independent Chairman, to disclose complaints made on its whistleblower line, to publish a sustainability report in accordance with GRI and/or SASB, to disclose data to back up the use of professional development programs by employees, to provide environmental disclosure including operational GHG emissions, energy use, the amount of energy from renewables, water and waste usage, and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
19. **Essent Group Ltd (ticker symbol ESNT):** ESNT is a Bermuda-domiciled holding company. Through its subsidiaries, ESNT serves the housing finance industry by offering mortgage insurance, reinsurance and risk management products to mortgage lenders and investors to support homeownership. The Team emailed ESNT following research on ESNT. The Team noted the same sustainability considerations remain as provided following the call in September 2021. The Team also encouraged ESNT to increase the number of female directors on the Board.
20. **Mirion Technologies, Inc. (ticker symbol MIR):** MIR is a provider of detection, measurement, analysis and monitoring solutions to the nuclear, defense, medical and research end markets. The Team emailed MIR following research on MIR. The Team encouraged MIR to publish a sustainability report in accordance with GRI and/or SASB as it provides a helpful framework for the types of disclosures we typically request.
21. **Momentive Global, Inc. (ticker symbol MNTV):** MNTV is a software survey developer. The Team emailed MNTV following research on MNTV. The Team asked if MNTV has ESG oversight at the Board and management level and if MNTV plans to adopt environmental goals. The Team encouraged MNTV to disclose climate change risks and opportunities in line with TCFD or CDP and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
22. **JFrog Ltd (ticker symbol FROG):** FROG provides the tools and visibility required by modern software development organizations to fully embrace the power of DevOps. The Team emailed FROG following research on FROG. The Team encouraged FROG to publish a sustainability report in accordance with GRI and/or SASB as it provides a helpful framework for the types of disclosures we typically request.
23. **CompoSecure, Inc. (ticker symbol CMPO):** CMPO designs and manufactures premium financial cards. The Team emailed CMPO following research on CMPO. The Team encouraged CMPO to publish a sustainability report in accordance with GRI and/or SASB as it provides a helpful framework for the types of disclosures we typically request.
24. **MRC Global, Inc. (ticker symbol MRC):** MRC manufactures and distributes fabricated metal products. The Team emailed MRC following research on MRC. The Team encouraged MRC to disclose complaints made on its whistleblower line, to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken and asked if MRC plans to adopt environmental goals.
25. **AutoNation, Inc. (ticker symbol AN):** AN operates as an automotive retailer in the U.S. The Team emailed AN following research on AN. The Team encouraged AN to provide a formal sustainability report in accordance with recognized frameworks. The Team encouraged AN to report environmental data and set emissions reduction targets. The Team also encouraged AN to provide diversity data by employment level. Finally, the Team encouraged AN to report the number of suppliers audited annually.

26. Molina Healthcare, Inc. (ticker symbol MOH): MOH provides managed health care services to low-income families and individuals under the Medicaid and Medicare programs and through the state insurance marketplaces. The Team emailed MOH following research on MOH and set up a call to discuss. The Team encouraged MOH to provide additional environmental data and to set emissions reduction targets. MOH is working with external consultants and is developing a plan to gather and report sustainability data relating to its operations. The Team encouraged MOH to provide shareholders the right to call special meetings and the right to act by written consent. Additionally, the Team encouraged MOH to report whistleblower statistics and to provide additional information about its employee training programs.

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

1. NetApp, Inc. (ticker symbol NTAP): NTAP is an American hybrid cloud data services and management company. NTAP reached out to the Team prior to its 9/9/22 annual meeting to discuss the shareholder proposal to reduce the threshold to call special meetings from 25% to 10%. The Team informed NTAP of our policy to support the right to call special meetings at 10%. NTAP feels that 10% is too low given their concentrated investor base. NTAP has concerns because a single shareholder owns more than 10%. Additionally, NTAP is worried about the potential for a short-term investor to attempt a hostile takeover.

The Team received the following responses from issuers, as well as participated in the following discussions, regarding Boston Partners' proxy vote against management.

- 1. Meritage Homes Corporation (ticker symbol MTH):** MTH designs and builds single-family homes in the U.S. MTH responded to Boston Partners' letter regarding votes against management and set up a meeting to discuss. Boston Partners voted against say-on-pay due to a problematic severance payment to a former executive upon his voluntary retirement. MTH explained that the retirement was not completely voluntary. MTH provided the lump sum payment to help facilitate the transition which was in the best interest of MTH. Historically, MTH's compensation practices have not been a concern. MTH stated that this is a one-off transaction.
- 2. Marriott International, Inc. (ticker symbol MAR):** MAR operates, franchises, and licenses hotel, residential, and timeshare properties worldwide. MAR responded to Boston Partners' letter regarding votes against management and set up a meeting to discuss. Boston Partners voted for the shareholder proposal to require an independent Chairman. MAR noted that the proposal was withdrawn following discussions with the proponent. MAR separated the CEO and Chairman positions several years ago and has a robust lead independent director position. MAR is uniquely positioned with family ownership, reputation and involvement. MAR's required retirement age of 72 drives Board refreshment.
- 3. Graphic Packaging Holding Company (ticker symbol GPK):** GPK provides paper-based packaging solutions to food, beverage, foodservice, and other consumer products companies. GPK responded to Boston Partners' letter regarding votes against management and set up a meeting to discuss. Boston Partners withheld votes from a director nominee because she is an incumbent member of the nominating committee, and the Board does not have any underrepresented directors. GPK noted that its three most recent Board additions were two females followed by a director who is Middle Eastern. The Team spoke with ISS and due to a lack of disclosure in GPK's proxy statement, ISS did not credit GPK with having an underrepresented director. The Team then noted our preference for GPK to declassify its Board. The Team also discussed the lawsuit relating to toxic odors at GPK's Kalamazoo facility. Finally, the Team provided information regarding Uighur forced labor in solar supply chains.

Proxy Voting:

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

- 1. Nautilus, Inc. (ticker symbol NLS):** Voted against amendments to the omnibus stock plan because the plan cost was excessive, and the plan allowed broad discretion to accelerate vesting.

2. **EnerSys (ticker symbol ENS):** Voted against one director nominee because he is an incumbent member of the nominating committee, and the board has seven or more members and does not have at least two board members that are not of the majority board gender. Boston Partners supports diversity in leadership.
3. **Electronic Arts, Inc. (ticker symbol EA):** Voted against amendments to the omnibus stock plan because the three-year average adjusted burn rate exceeds 3 ½ %, which Boston Partners deems excessive.
4. **Bharti Airtel Limited (ticker symbol 532454-IN):** Voted against the remuneration of the managing director and CEO because 532454-IN sought a blanket approval for his remuneration for a period of three years, which prevents shareholders from reviewing the terms of his pay for the entire period, and justification for the payment of excess remuneration to the executives in the event of inadequate profits was not provided. Further, the board sought to pay performance linked incentives as part of his minimum remuneration. Executive compensation should be linked to 532454-IN's performance. Voted against three proposals related to the employee stock option scheme because the scheme permitted shares to be issued with an exercise price at a discount to the current market price. By providing a potential discount to market price, 532454-IN risks skewing the alignment of interests between executives and shareholders.
5. **Monro, Inc. (ticker symbol MNRO):** Withheld votes from all director nominees because the board did not implement any action on the majority supported shareholder proposal to adopt a simplified capital structure.
6. **NetScout Systems, Inc. (ticker symbol NTCT):** Voted against amendments to the omnibus stock plan because the three-year average adjusted burn rate exceeds 3 ½ %, which Boston Partners deems excessive.
7. **Flex Ltd. (ticker symbol FLEX):** Voted against seven nominees due to independence and experience concerns.
8. **Power Grid Corporation of India Limited (ticker symbol 532898-IN):** Voted against the remuneration of directors because non-executive directors are awarded performance-based equity (stock options), in deviation of market best practice. Considering these are not full-value awards and only gain value upon stock price performance, these equity instruments are generally considered a form of performance-based pay.
9. **Check Point Software Technologies Ltd. (ticker symbol CHKP):** Voted against one director nominee due to overboarding concerns.

Boston Partners voted the following number of proxies:

Number of meetings: 23

Number of issues: 181

Disclosure

This document is not an offering of securities nor is it intended to provide investment advice. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these securities were or will be profitable. It is intended for information purposes only.

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