

Sustainability and Engagement at Boston Partners

Engagement Report

The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions during July 2023:

Calls, Meetings, and Correspondence with Issuers:

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

- 1. Henry Schein, Inc. (ticker symbol HSIC):** HSIC provides health care products and services to dental practitioners and laboratories, physician practices, government, institutional health care clinics, and other alternate care clinics worldwide. The Team emailed HSIC following research. The Team encouraged HSIC to appoint an independent Chair and to disclose the amount of renewable energy consumed.
 - 2. Janus International Group, Inc. (ticker symbol JBI):** JBI engages in commercial and industrial building solutions. The Team emailed JBI following research in June and JBI responded to our email thanking us for the feedback and noted they will take our suggestions into consideration.
 - 3. Pfizer, Inc. (ticker symbol PFE):** PFE discovers, develops, manufactures, markets, distributes, and sells biopharmaceutical products worldwide. The Team emailed PFE following research in June and PFE responded noting they appreciate the feedback regarding the Board’s leadership structure and the Board currently evaluates its leadership structure annually and considers the merits of alternative leadership structures, among other criteria, during its evaluation. PFE noted they disclose relevant information in connection with its whistleblower policy and investigations processes in the ESG report and will consider our suggestions as they develop their 2023 report. PFE noted they will consider disclosure enhancements related to professional development usage. PFE has no reason to believe that the solar panels to be used in the Hornet Solar project were produced using Uighur labor. Vesper Energy, Hornet Solar’s parent company, announced in September 2022 that the solar panels for its projects in Texas will be supplied by Boviet Solar, which manufactures its solar panels in Vietnam. The U.S. Uighur Forced Labor Prevention Act (UFLPA) became effective on June 21, 2022, and applies to the importation of the Boviet Solar equipment into the U.S. and delivery of the Hornet Solar panels began in March 2023. Additionally, neither Boviet Solar nor its parent company, Boway Alloy, is on the UFLPA Entity List.
 - 4. Panasonic Holdings Corporation (ticker symbol 6752-JP):** 6752-JP engages in the development, manufacture, and sale of electrical products. The Team emailed 6752-JP following research and encouraged 6752-JP to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, and to disclose data to back up the use of its professional development programs by employees. The Team asked if 6752-JP
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has ascertained with certainty that the photovoltaic power generation systems installed in China were not made or use products made by Uighur slave labor. The Team also noted 30% of transactions with suppliers are in China and asked if 6752-JP can verify no connection to the Uighurs. The Team also asked if 6752-JP is considering increasing RBA membership to full or regular member status.

5. **InterDigital, Inc. (ticker symbol IDCC):** IDCC designs and develops technologies that enable and enhance wireless communications in the U.S. and internationally. The Team emailed IDCC following research. The Team suggested IDCC report GHG emissions and conduct supplier audits.
6. **Syneos Health, Inc. (ticker symbol SYNH):** SYNH operates as an integrated biopharmaceutical solutions company. The Team emailed SYNH following research and suggested they disclose whistleblower statistics, report environmental data, and conduct supplier audits.
7. **Catalyst Pharmaceuticals (ticker symbol CPRX):** CPRX is a commercial-stage biopharmaceutical company focused on in-licensing, developing, and commercializing novel medicines for patients living with rare diseases. The Team emailed CPRX following research. The Team suggested CPRX separate CEO and Chair, disclose whistleblower statistics, report environmental data and conduct supplier audits.
8. **PRA Group, Inc. (ticker symbol PRAA):** PRAA is a global financial and business services company with operations in the Americas, Europe and Australia. The Team emailed PRAA following research. The Team suggested PRAA disclose whistleblower statistics and disclose supplier audit data.
9. **The Kroger Co. (ticker symbol KR):** KR operates as a retailer in the U.S. The Team emailed KR following research. The Team encouraged KR to describe their employee development opportunities and provide usage statistics. The Team asked if KR has screened its solar PV suppliers for Uighur forced labor. KR responded to the Team's email and highlighted their tuition assistance benefit. KR will consider reporting employee training statistics.
10. **DigitalBridge Group, Inc. (ticker symbol DBRG):** DBRG is a leading global digital infrastructure firm. The Team emailed DBRG following research. The Team encouraged DBRG to eliminate the dual class share structure with unequal voting rights. The Team encouraged DBRG to report environmental data at the portfolio level. The Team encouraged DBRG to report overall workforce diversity metrics and to describe their employee development opportunities and provide usage statistics. DBRG responded to the Team's email and expressed interest in scheduling a call to discuss in August.
11. **Shake Shack Inc. (ticker symbol SHAK):** SHAK owns, operates, and licenses Shake Shack restaurants in the U.S. and internationally. The Team emailed SHAK following research. The Team encouraged SHAK to appoint an independent Chair and eliminate the classified Board structure. The Team encouraged SHAK to report employee training statistics. The Team encouraged SHAK to report environmental metrics such as energy and water consumption, and waste generation. The Team encouraged SHAK to set environmental targets. The Team encouraged SHAK to align its sustainability report with GRI or SASB standards. SHAK responded to the Team's email and scheduled a call for August.
12. **Hikma Pharmaceuticals Plc (ticker symbol HIK-GB):** HIK-GB engages in developing, manufacturing, and marketing branded and non-branded generic pharmaceutical products. The Team emailed HIK-GB following research and encouraged HIK-GB to adopt an independent Chair and to disclose whistleblower claims/code of ethics violations and their resolution annually. The Team asked if there is a reason for the increase in the number of injuries since 2020 that resulted in lost time and the LTIR. The Team also asked if HIK-GB has ascertained with certainty that the solar panels installed on site and used by the provider of power purchased through RECs were not made or used products made by Uighur slave labor.
13. **Maximus, Inc. (ticker symbol MMS):** MMS provides business process services to government health and human services programs. The Team emailed MMS following research and encouraged MMS to 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 also encouraged MMS to disclose data to back up the use of its professional development programs by employees. The Team asked the total cost of the racial equity audit.

14. **Resona Holdings, Inc. (ticker symbol 8308-JP):** 8308-JP is a bank holding company. The Team emailed 8308-JP following research and encouraged 8308-JP to disclose more information about supplier oversight and asked where the majority of suppliers are located. The Team also asked 8308-JP if they have ascertained with certainty that the solar panels used by the provider of power purchased were not made or used products made by Uighur slave labor.
15. **World Kinect Corporation (ticker symbol WKC):** WKC engages in the distribution of fuel and related products and services in the aviation, marine and land transportation industries worldwide. The Team emailed WKC following research. The Team asked when WKC plans to publish updated sustainability disclosure. The Team also encouraged WKC to align its sustainability report with GRI or SASB standards. Finally, the Team encouraged WKC to report additional environmental metrics, training usage data, and safety statistics.
16. **Mohawk Industries, Inc. (ticker symbol MHK):** MHK designs, manufactures, sources, distributes, and markets flooring products for remodeling and new constructions of residential and commercial spaces worldwide. The Team emailed MHK following research and MHK setup a call to discuss. The Team noted our preference for an independent Chair, a declassified Board, and an additional female Board member. The Team encouraged MHK to disclose whistleblower claims/code of ethics violations and their resolution annually. MHK noted the calls into the hotline are reviewed every quarter with the audit team and the majority of complaints tend to be HR type issues. The Team asked if MHK has ascertained with certainty that the solar panels used on site were not made or used products made by Uighur slave labor. MHK noted suppliers must agree to the supplier code of conduct which prohibits forced labor. MHK has done some supply chain mapping to understand the high-risk regions. MHK screens 100% of new suppliers using social criteria. The Team encouraged MHK to report on the results of the assessments and any corrective actions taken. The Team encouraged MHK to specify the cost/benefit of the use of recycled materials in its products and whether it is reducing its cost structure materially. MHK said customers are driving which types of products they make. Sustainable attributes in products are more important on the commercial side. MHK is evaluating the availability of using alternative materials such as recycled materials and ensuring no contamination. The Team noted the cost/benefit of using recycled materials over virgin materials would be something we would like to see disclosed. The Team noted there was a recent NY Post article about how quartz countertop markers are dying of lung disease from inhaling silica. The Team asked if MHK is aware of this issue and asked what safety precautions are put in place. MHK noted quartz is regulated under OSHA and is treated like any other regulatory requirement.

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

1. **Copart, Inc. (ticker symbol CPRT):** CPRT provides online auctions and vehicle remarketing services. CPRT reached out to the Team for an off-season engagement call. CPRT noted there will be information about Leah Stearns, the new CFO, in the upcoming proxy statement along with disclosure regarding her onboarding compensation package. CPRT noted her compensation is very similar to Jeff Liaw's compensation package that we supported at the 2022 AGM. The Team noted our preference for an independent Chair and CPRT noted they believe the current structure is best. The Team encouraged CPRT to disclose whistleblower claims/code of ethics violations and their resolution annually. CPRT noted they will share this feedback internally. CPRT also noted nothing material has been called in thus far with the majority of complaints being employee relations related. Following the call, the Team sent examples of good whistleblower line disclosure. The Team encouraged CPRT to disclose data to back up the use of these programs by employees and CPRT noted they are looking at tools to track this data now and this disclosure will likely be included in the third sustainability report. The Team asked if CPRT plans to disclose year-over-year safety rates or the number of incidents annually. Following the call, the Team also sent more information on safety rates. The Team asked where the majority of suppliers are located and if any are outside the U.S. CPRT noted most of their suppliers are contracted

sub haulers which is low risk for forced/child labor especially as most suppliers are in Europe and the U.S. However, CPRT has substantial presence in India, but it is back-office employees.

- 2. Vector Group Ltd. (ticker symbol VGR):** VGR owns and operates iconic brand names in discount tobacco and real estate investments. VGR reached out to the Team prior to the annual meeting to discuss items up for vote. The Team noted we will be supporting the proposal to require an independent Board Chair. The Team also noted we are voting against incumbent members of the nominating committee due to an insufficient number of women on the Board (except we are supporting Jean Sharpe as she is the only woman on the Board, and she is a member of the Nominating Committee). The Team noted we require at least two women directors with boards of seven or more and VGR has one woman and nine directors. VGR noted the sustainability report is expected to be produced in the next one to two years and the Team encouraged VGR to align its sustainability report with GRI or SASB standards as it provides a helpful framework for the types of disclosures we typically request.

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

- 1. Silvercrest Asset Management Group, Inc. (ticker symbol SAMG):** SAMG is a full-service wealth management firm focused on providing financial advisory and related family office services to ultra-high net worth individuals and institutional investors. SAMG reached out to the Team to discuss the proxy letter we sent regarding withholding votes from Brian Dunn at the June 2023 annual meeting because he is an incumbent member of the nominating committee, and the Board does not have any underrepresented directors. The Team explained we like to see at least one racial/ethnic minority on the Board. SAMG noted the diversity on the Board includes a director who identifies as LGBTQ, a female, and a British director. The Team reiterated that we are looking for racial/ethnic minority representation.
- 2. Imerys SA (ticker symbol NK-FR):** NK-FR engages in the exploration, mining and processing of minerals. NK-FR reached out to the Team to discuss the proxy letter we sent regarding our votes against the remuneration policy of the CEO. The Team had noted the base salary was significantly increased (+15%) and NK-FR failed to provide a compelling rationale. NK-FR noted the increase in base salary of the CEO should not be a concern as it is the usual policy in France to not review the base salary of the CEO annually. The CEO base salary was set more than 3 years ago and the +15% this year is after 3 years of no increase with the assumption that it will not be subject to review in the future. NK-FR noted they use a broad range of benchmarks, and he is above average but not in an extreme way. The Team also noted the target LTIP opportunity was significantly increased (+13%) and NK-FR failed to provide a compelling rationale. NK-FR noted the LTIP did increase but they check the benchmark and NK-FR is well positioned. The LTIP is 100% conditional with stringent conditions and includes ESG criteria. LTI vested substantially below in prior years. The Team noted the maximum termination package has no cap and may be superior to 24 months of cash remuneration. NK-FR noted it is in fact capped at 2 years. NK-FR noted it may go up to 3 years but only at the sole discretion of the company and the Board.
- 3. Harley-Davidson, Inc. (ticker symbol HOG):** HOG manufactures and sells motorcycles. HOG reached out to the Team regarding our votes at the 2023 annual meeting. HOG asked how many shares Boston Partners voted and how many shares clients voted distinct from Boston Partners. The Team clarified the number of shares voted by Boston Partners and the number of shares that clients retained their voting rights for that could have been voted differently than how Boston Partners decided to vote.
- 4. Huron Consulting Group Inc. (ticker symbol HURN):** HURN provides consultancy services. HURN reached out to the Team to discuss our proxy letter regarding votes against management. Boston Partners voted against amending the omnibus stock plan because the plan cost is excessive, and the plan allows broad discretion to accelerate vesting. HURN explained that the majority of the stock granted goes to revenue-generating managing directors. This is a key retention tool for HURN because most of their competitors are private companies that compensate employees with cash. For HURN's managing directors, half of their compensation is equity. The compensation program is inherently aligned with performance. HURN uses cash flow to offset dilution. HURN has been reducing the share base over time.

Although it is rarely used, accelerated vesting is an important tool for HURN. HURN is in the process of declassifying the Board.

- 5. Univar Solutions Inc. (ticker symbol UNVR):** UNVR distributes commodity and specialty chemical products and provides related services worldwide. UNVR reached out to the Team to discuss our proxy letter regarding votes against management. Boston Partners voted against the advisory vote on golden parachutes because outstanding equity awards will auto-accelerate at the time of the merger, and PRSUs granted in 2021 and 2022 are eligible to vest well above target without compelling rationale disclosed in the merger proxy. Additionally, the Team mentioned that our governance committee was concerned about the timing of the awards. UNVR's executives were talking merger since November, and then in February they awarded themselves stock that they knew would vest. The governance committee did not think this was behavior that we want to encourage. UNVR noted that they have been transparent throughout the process. Management wanted to grant equity to incentivize employees throughout this time of turmoil. UNVR mentioned that the deal is not certain to go through.

Proxy Voting:

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

- 1. Bank of Baroda (ticker symbol 532134-IN):** Boston Partners voted against Mukesh Kumar Bansal because there was a lack of disclosure of the nominee's term. This is not in line with expected and good governance practices.
- 2. Bajaj Auto Limited (ticker symbol 532977-IN):** Boston Partners voted against Niraj Baja because the nominee is non-independent and a member of a key committee. The nominee is an incumbent member of the nominating committee, and Boston Partners requires at least two Board members that are not of the majority gender for boards with seven or more members. Finally, the nominee is a CEO and sits on more than three public company boards. Boston Partners voted against Sanjiv Bajaj because the nominee is a CEO and sits on more than three public company boards.
- 3. Augmedix, Inc. (ticker symbol AUGX):** Boston Partners withheld votes from governance committee member Margie Traylor because of the Board's failure to remove, or subject to a sunset requirement, the supermajority vote requirement to enact certain changes to the governing documents and the classified Board, each of which adversely impacts shareholder rights.
- 4. Critical Elements Lithium Corporation (ticker symbol CRE-CA):** Boston Partners voted against the nominee because he is a CEO and sits on more than three public company boards. Boston Partners voted against amending the equity incentive compensation plan because the potential dilution (20 percent) is deemed excessive for a venture-listed issuer.
- 5. Fix Price Group Plc (ticker symbol FIXP-GB):** Boston Partners voted against four director nominees because the proposed appointments would make the Board less than one third independent, which is insufficient for a controlled company. Additionally, Boston Partners requires at least one Board member that is not of the majority gender for boards with six or fewer members.
- 6. Monday.com Ltd. (ticker symbol MNDY):** Boston Partners voted against Aviad Eyal because the nominee is an incumbent member of the nominating committee, and Boston Partners requires at least two Board members that are not of the majority gender for boards with seven or more members.
- 7. Nomad Foods Limited (ticker symbol NOMD):** Boston Partners voted against Victoria Parry because the nominee sits on more than four public company boards.

Boston Partners voted the following number of proxies:

Number of meetings: 23

Number of issues: 223

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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