

Sustainability and Engagement at Boston Partners

Engagement Report

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

Calls, Meetings, and Correspondence with Issuers:

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

- 1. Babcock & Wilcox Enterprises, Inc. (ticker symbol BW):** BW provides energy and emissions control solutions to a range of industrial, electrical utility, municipal, and other customers worldwide. The Team emailed BW following research and encouraged BW to align its sustainability report with GRI or SASB standards, eliminate the classified Board structure, adopt an independent Chair, publish EEO-1 diversity data, describe professional development opportunities, report GHG emissions data, discuss climate-related risks and opportunities, and report supplier audit data.
- 2. The Bidvest Group Ltd. (ticker symbol BVT-ZA):** BVT-ZA engages in services, trading, and distribution businesses in South Africa and internationally. The Team emailed BVT-ZA following research and encouraged BVT-ZA to report supplier audit data.
- 3. TE Connectivity Ltd. (ticker symbol TEL):** TEL manufactures and sells connectivity and sensor solutions. The Team emailed TEL following research and asked how much revenue is derived from sustainable products. TEL noted that it can be difficult to quantify due to differing definitions of sustainable products. In the Auto business, FY23 sales were ~\$7B of which over \$2B were on EV/HEV. In addition, on ICE platforms TEL’s connectivity solutions are used for safety, emission, and autonomy applications, all of which would fall into the sustainable category. Within the Aerospace business, TEL has content in next generation, more efficient aircrafts. In Industrial Equipment, TEL’s connectivity solutions are used in factory automation and smart buildings. ~20% of the Energy business is in Renewable applications such as wind, solar, and grid hardening. In the Data & Devices business, roughly 1/3 is high speed connectivity enabling more efficient data centers. In Appliances, TEL’s connectivity solutions are in high efficiency appliances.
- 4. Griffon Corporation (ticker symbol GFF):** GFF is a diversified management and holding company. The Team emailed GFF following research and encouraged GFF to adopt an independent Chairman, to disclose more information about the professional development opportunities offered and the use of these programs by employees, to disclose the averages established by the United States Bureau of Labor Statistics as it compares to its safety rates, and to disclose the result and any corrective actions taken of the SCC audits once conducted.

5. **Willscot Mobile Mini Holdings Corp. (ticker symbol WSC):** WSC is a leading business services provider specializing in innovative and flexible temporary space solutions. The Team emailed WSC following research and asked if the inaugural sustainability report will be aligned with GRI and SASB, when WSC expects to disclose its baseline data, and where the majority of suppliers are located. The Team also encouraged WSC to disclose diversity statistics, climate change risks and opportunities, and the cost/benefit of utilizing green alternatives for the fleet and electricity over the fossil fuel option. The Team had a call with WSC to discuss these points. WSC noted the sustainability report is coming out in Q1 2024 and will be aligned with the SDGs and somewhat with TCFD. The Team encouraged WSC to disclose gender diversity and racial/ethnic diversity percentages of the workforce and management. WSC noted they have a lot of M&A activity and have doubled in size in the last year and a half so are trying to collect this data, but it is a process. WSC will include more training hour statistics in reporting, but it won't be holistic. WSC noted the vast majority of suppliers are in North America and 5 or so manufacturers in China and Eastern Europe but it is a small slice. The Team encouraged WSC to conduct forced labor due diligence in areas of high risk. The Team sent an example of good supplier oversight disclosure following the call. WSC noted they are looking at select TCFD questions which will include a discussion on climate opportunities, but it might not include climate risks. The Team recommended WSC disclose whistleblower line statistics which WSC said they will consider. WSC has 600 to 800 delivery trucks which are all diesel powered and are trying to turn to alternative fuel but it's hard to find a viable cost-effective alternative. WSC purchased a 100% electric (zero emissions) van but has mostly focused efforts on route optimization. WSC completed its GHG emissions inventory and will disclose scope 1 and 2 emissions.
6. **Lithia Motors, Inc. (ticker symbol LAD):** LAD operates as an automotive retailer. The Team emailed LAD following research and encouraged LAD to adopt an independent Chair, report whistleblower statistics, and report supplier audit data. The Team also asked if LAD has Board-level oversight of ESG. Finally, the Team asked if LAD has plans to increase female representation across the workforce and management. LAD responded to the Team's email and highlighted its lead independent director. LAD is currently looking into whistleblower data collection and disclosure. LAD noted that sustainability is at the foundation of its business philosophy and strategy, and, therefore, an increasing emphasis of the Board. LAD has implemented programs to help women connect and grow within the company. Finally, the bulk of LAD's suppliers are large public companies with robust supply chain management practices.
7. **BYD Company Limited (ticker symbol BYDDY):** BYDDY is a leader in electronics, automotives, renewable energy and rail transit. The Team emailed BYDDY following research and asked if BYDDY has any suppliers located in the Xinjiang region in Northwest China and if BYDDY is still a customer of Shandong Nanshan Aluminum. The Team also asked how BYDDY's safety rates compare to the industry average. The Team encouraged BYDDY to adopt an independent Chairman.
8. **Lee & Man Paper Manufacturing Limited (ticker symbol 2314-HK):** 2314-HK manufactures and trades in packaging papers, pulps, and tissue papers. The Team emailed 2314-HK following research and encouraged 2314-HK to publish a sustainability report in accordance with GRI or SASB standards.
9. **Shandong Sunpaper Co., Ltd. (ticker symbol BD5CC9):** BD5CC9 engages in production and sale of paper products. The Team emailed BD5CC9 following research and asked for an English version of its sustainability disclosures.
10. **Suzano SA (ticker symbol SUZB3-BR):** SUZB3-BR engages in the production of hardwood pulp from eucalyptus and paper. The Team emailed SUZB3-BR following research. The Team asked about greenwashing allegations that claim SUZB3-BR's eucalyptus plantations are causing environmental damage and provide minimal carbon sequestration.
11. **U.S. Bancorp (ticker symbol USB):** USB is a diversified financial services company that provides lending and depository services, cash management, foreign exchange and trust and investment management services. The Team emailed USB following research and encouraged USB to adopt an independent Chair, report training statistics, report additional environmental metrics, and report supplier audit data.

12. **Longfor Group Holdings Ltd. (ticker symbol 960-HK):** 960-HK is an investment holding company. The Team emailed 960-HK following research and encouraged 960-HK to increase the number of independent directors on the Board, to adopt an independent Chair, to add another woman to the Board, asked if the SLL fails to achieve certain sustainability performance targets will the interest rate for the sustainability-linked loan increase and if so what is the total expected financial effect in a worst-case scenario. The Team also asked about the results of the internal audits and third-party testing for suppliers and if any corrective actions were implemented.
13. **Newmark Group, Inc. (ticker symbol NMRK):** NMRK provides commercial real estate services. The Team emailed NMRK following research and encouraged NMRK to align its sustainability report with GRI or SASB standards.
14. **Array Technologies, Inc. (ticker symbol ARRY):** ARRY provides renewable energy solutions for customers seeking clean energy adoption in markets around the globe. The Team emailed ARRY following research and asked what the plan is to improve the TRIR. The Team asked if ARRY plans to disclose climate change risks and opportunities as part of its TCFD disclosure. The Team also asked where the majority of suppliers are located. The Team encouraged ARRY to declassify the Board, to provide shareholders the right to call special meetings based upon the request of at least 10% of shareholders and to provide shareholders right to act by the written consent of the number of shareholders that could act at a meeting. Lastly, the Team encouraged ARRY to provide a description of its professional development programs and data to back up the use of its professional development opportunities by employees.
15. **Xiaomi Corp. (ticker symbol 1810-HK):** 1810-HK makes smartphones and IoT devices. The Team emailed 1810-HK following research and encouraged 1810-HK to increase the number of independent directors on the Board, to adopt an independent Chair, and to add women to the Board.
16. **International General Insurance Holdings Ltd. (ticker symbol IGIC):** IGIC is an international specialist commercial insurer and reinsurer, underwriting a diversified portfolio of specialty lines. The Team emailed IGIC following research and encouraged IGIC to add an additional female Board member, to declassify the Board, to adopt an independent Chair, and to publish a sustainability report in accordance with GRI and SASB standards.
17. **Commercial Metals Company (ticker symbol CMC):** CMC is a producer of rebar and related products for the construction industry. The Team emailed CMC following research and encouraged CMC to declassify the Board, to adopt an independent Chair, and to provide data to back up the use of its professional development opportunities by employees.
18. **Porto Seguro SA (ticker symbol PSSA3-BR):** PSSA3-BR provides a range of insurance products and services for individuals and legal entities in Brazil and Uruguay. PSSA3-BR responded to the Team's email regarding sustainability. The Team encouraged PSSA3-BR to assign sustainability oversight responsibilities at the management and Board level. PSSA3-BR highlighted its People & Sustainability Board and the newly formed Sustainability Committee. The Team encouraged PSSA3-BR to establish emissions reduction targets. PSSA3-BR is currently discussing 2024 and 2025 sustainability plans and emissions reductions targets will be included. The Team asked if PSSA3-BR has screened its solar PV suppliers for Uighur forced labor. PSSA3-BR's solar PV supplier is Canadian Solar, and its commercial relationship was established between 2017 and 2021, only for the acquisition of solar panels. For now, PSSA3-BR does not intend to expand the project and install new panels, but if that happens, PSSA3-BR will look for new suppliers.
19. **Everest Group, Ltd. (ticker symbol EG):** EG provides reinsurance and insurance products. The Team emailed EG following research. The Team encouraged EG to complete a sustainability report annually and adopt an independent Chair.
20. **Kaltura, Inc. (ticker symbol KLTR):** KLTR provides various Software-as-a-Service products and solutions and a Platform-as-a-Service. The Team emailed KLTR following research and encouraged KLTR to publish a sustainability report in accordance with GRI or SASB standards, adopt an independent Chair, and eliminate the classified Board structure. The Team also asked how many Israeli employees have been drafted for military service.

21. **Rayonier Advanced Materials, Inc. (ticker symbol RYAM):** RYAM is an American chemical company specializing in cellulose-based products. The Team emailed RYAM following research and encouraged RYAM to provide a description of its professional development programs and data to back up the use of its professional development opportunities by employees, to disclose safety rates annually including TRIR and LTIR, and asked where the majority of suppliers are located.
22. **The Manitowoc Company, Inc. (ticker symbol MTW):** MTW provides engineered lifting solutions. The Team emailed MTW following research and encouraged MTW to report on supplier audits and discuss climate-related risks and opportunities. MTW responded to our email and directed the Team to its TCFD report. MTW also suggested setting up a call for January to discuss these topics.
23. **China Resources Land Limited (ticker symbol 1109-HK):** 1109-HK is a property developer of China Resources Group. The Team emailed 1109-HK following research and encouraged 1109-HK to increase the number of independent directors on the Board, to adopt an independent Chair, asked where the majority of suppliers are located, what renewable sources their energy is derived from, how much energy is derived from coal, and if safety data is audited by a third party.
24. **Webster Financial Corporation (ticker symbol WBS):** WBS operates as the bank holding company for Webster Bank. The Team emailed WBS following research and encouraged WBS to provide environmental footprint data, report on supplier audits, and adopt an independent Chair.
25. **Brinker International, Inc. (ticker symbol EAT):** EAT engages in the ownership, development, operation, and franchising of casual dining restaurants. The Team emailed EAT following research and encouraged EAT to disclose whistle blower claims/code of ethics violations and their resolution annually, to disclose climate change risks and opportunities in accordance with TCFD or CDP, asked if EAT plans to adopt environmental goals, and if EAT plans to purchase renewable energy from the grid and what the cost/benefit is of purchasing renewables over conventional fossil fuels. The Team also asked if EAT conducts supplier audits to ensure no forced labor exposure among its supply chain.
26. **Pediatrix Medical Group, Inc (ticker symbol MD):** MD provides newborn, maternal-fetal, pediatric cardiology, and other pediatric subspecialty care services in the United States. The Team emailed MD following research and encouraged MD to adopt an independent Chair, to disclose safety rates annually, to disclose climate change risks and opportunities in accordance with TCFD or CDP, and asked where the majority of suppliers are located and if any of its energy is sourced from renewable sources.

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

1. **McKesson Corporation (ticker symbol MCK):** MCK provides healthcare services in the United States and internationally. MCK reached out to the Team for a shareholder engagement call. The Team asked if MCK has considered disclosure of whistleblower statistics following review of the examples we sent after the call last year. MCK noted they took a look at the examples but have not included it in the latest report but are working through the risks involving it. The Team asked while MCK was researching potential ways to electrify the fleet if they found anything about the cost/benefit of transitioning the fleet and if it would be a significant capital expenditure. MCK noted it is in the pilot stage and they do not have any definitive recommendations yet. The Team recommended MCK include a discussion on the cost of the virtual power purchase agreement compared to purchasing electricity from conventional fossil fuels from the grid and the cost of meeting the SBTs. MCK noted their sustainability initiatives must have a clear alignment/tie to their purpose and business strategy. MCK also noted certain ESG metrics are now tied to executive compensation.

- 2. Stride, Inc. (ticker symbol LRN):** LRN is a technology-based education company, provides proprietary and third-party online curriculum, software systems, and educational services to facilitate individualized learning for students primarily in K-12 in the United States and internationally. LRN reached out to the Team to discuss items up for vote at the annual general meeting. The Team noted we are set to vote FOR Item 5: Report on lobbying payments and policy. LRN noted the proposal has been made by the proponent seventeen times before with other issuers and only twice it has been accepted. LRN follows all the requirements for lobbying and shares with the Board all the political contributions made on a quarterly basis. LRN noted they wish they had put out some additional disclosures before the meeting but either way the lobbying contributions and donations combined is immaterial. LRN is against it because they don't want to lay out their strategy around lobbying and they feel as though the proponent is trying to get at them for political congruency. The Team noted because the proposal is asking for increased disclosure on lobbying payments and contributions we are in favor of increased disclosures and will likely vote FOR no matter who the proponent is. The Team asked if the ESG report is expected to be published in 2024. LRN noted they plan to reach out in January to discuss the ESG report.
- 3. American Axle & Manufacturing Holdings, Inc. (ticker symbol AXL):** AXL is a premier global Tier 1 automotive supplier with broad capabilities across product lines, segments and major markets. AXL reached out to the Team for a shareholder engagement call. The Team encouraged AXL to adopt an independent Chairman, declassify the Board, and provide shareholders the right to call special meetings based upon the request of at least 10% of shareholders and to provide shareholders right to act by the written consent of the number of shareholders that could act at a meeting. The Team noted the Annual Incentive Program directly links 10% to ESG performance achievements. The Team asked if there is a downward adjustment or if it is just an additive component. AXL noted 80% of the 100% is earned on financial metrics and 10% is on ESG metrics. Executives could earn 0% of the 10% if they don't achieve the ESG goals so just would not pay out. The Team asked if AXL conducts supplier audits and where the majority of suppliers are located. AXL noted 75% of revenue is in North America, 15% is in Europe, and the rest is from Asia and a tiny portion from Brazil. AXL noted they generally build in the same region where customers are buying their products. AXL also noted they have a human rights policy and a supplier code of conduct. AXL conducts audits from time to time to ensure appropriate alignment with the supplier code of conduct but they have not had any instances of forced labor as they don't source from high-risk regions. The Team noted AXL has a goal to purchase 100% renewable energy in the U.S by 2025 with currently 46% of purchased energy in the U.S from renewable or carbon free sources. The Team asked about the cost of purchasing renewables over conventional fossil fuel derived energy. AXL noted they haven't disclosed this yet, but it is not material. In some cases, it is more expensive as renewable energy has a premium cost, but the thought is that it will be comparable over time.
- 4. Resideo Technologies, Inc. (ticker symbol REZI):** REZI develops, manufactures, and sells comfort, residential thermal, and security solutions to the commercial and residential end markets. REZI reached out to the Team for a shareholder engagement call. The Team recommended REZI disclosure whistleblower line statistics. REZI noted they track concerns raised internally and compare themselves to the benchmark. REZI will consider this disclosure. The Team asked if REZI's environmental goals still stand. REZI noted they put their environmental goals on pause for now as they realized they lacked robust data repositories. REZI noted in the last two years they assured their 2022 data and can now properly track data year over year. REZI is looking to adjust its goals going forward in 2024 and will be using 2022 as a baseline. The Team noted REZI is working to implement a capital project to install solar panels across four sites. The Team asked for the name of the solar panel manufacturer. REZI will get back to us with the name. The Team sent a list of red flag solar manufacturers following the call. The Team asked where the majority of suppliers are located. REZI noted they source a lot of electronics from Asia. The Team asked about supplier auditing in high-risk regions for forced labor. REZI noted they require new suppliers to complete an ESG self-assessment questionnaire and if REZI finds any red flags will follow up with an audit. REZI hasn't had to audit any suppliers yet. REZI also noted suppliers must sign the supplier code of conduct and so far, 600 suppliers have signed it. The Team noted at the 2023 annual meeting we voted against director Cynthia Hostetler because she sits on more than 4 public company boards.

REZI noted Cynthia is exiting the Board of an investment trust and will no longer be overboarded. The Team also discussed executive compensation, severance, and burn rates.

- 5. Frontdoor, Inc. (ticker symbol FTDR):** FTDR provides home service plans in the U.S. FTDR reached out to the Team as a part of their shareholder outreach program. FTDR appointed two new directors this year, including a director with significant sustainability experience. FTDR's executive team has turned over significantly since Bill Cobb became CEO in June 2022. Bill Cobb was formerly the independent Chairman of the Board, and he now serves as the combined CEO/Chair. The Team expressed our preference for an independent Chair. FTDR appointed a lead independent director when Bill Cobb became the CEO. FTDR is expanding ESG disclosure in the proxy statement and is currently working on their third sustainability report. FTDR does not have much of an environmental footprint and the majority of the workforce is remote. FTDR focuses their disclosure on material topics according to SASB. The Team asked about FTDR's supply chain and if FTDR conducts supplier audits. FTDR noted that there is not much to report on in that area. FTDR's supplier base is a mix of large companies (Whirlpool, GE) and local contractors in areas where FTDR serves their customers. The large suppliers generally have their own sustainability disclosure and standards, while the local contractors are too small to track and report ESG initiatives. FTDR has supplier standards of conduct and a rating system but does not currently conduct any audits. FTDR's contractors and suppliers are U.S. based and low risk.
- 6. The Travelers Companies, Inc. (ticker symbol TRV):** TRV provides a range of commercial and personal property, and casualty insurance products and services to businesses, government units, associations, and individuals. TRV reached out to the Team as a part of their shareholder outreach program. The Team reiterated our preference for an independent Chair. TRV highlighted their lead independent director. TRV has added five new independent directors over the past five years. TRV expanded and enhanced their TCFD report. TRV is transparent about the composition of their underwriting portfolio. 95% of the portfolio relates to individuals and small to mid-sized business customers and 1.6% of the portfolio is energy. TRV uses proprietary and third-party climate models and analysis for underwriting/pricing. TRV has conducted scenario analysis. The diversity of the portfolio helps manage climate risk. TRV reprices their policies annually. TRV aims to achieve carbon neutral operations by 2030. TRV will continue to implement reduction projects and increase their use of renewable energy. TRV also expects to use carbon offsets eventually.
- 7. Parker-Hannifin Corporation (ticker symbol PH):** PH manufactures and sells motion and control technologies and systems for various mobile, industrial, and aerospace markets worldwide. PH reached out to the Team as a part of their shareholder outreach program. The Team expressed our preference for an independent Chair. PH has an executive Chair who served as CEO until 2022. The executive Chair is retiring from the Board and the new CEO will take over as Chair. The Team asked about the road map to achieve emissions reduction targets. PH aims to reduce Scope 1 and 2 emissions by 50% by 2030 and achieve carbon neutral operations by 2040. PH has a large electrical footprint. To achieve the 50% reduction by 2030, PH will focus on greening the grid, reducing the absolute footprint of their operations, and purchasing RECs. PH announced a 20% reduction from the FY19 base. To achieve carbon neutrality by 2040, PH will focus on the remaining Scope 2 emissions and electrifying their operations and utilizing renewable fuels. PH will purchase carbon offsets if needed. PH says the environmental initiatives have been cost neutral. PH has set up 10-year RECs with no financial effect. Electrifying operations and utilizing alternative fuels may have a financial effect in the future. PH's supplier portal has an ESG tab. The ESG tab covers compliance, human rights, EHS, and carbon. PH leverages the CDP to get carbon data from suppliers. PH will work with suppliers to achieve emissions reductions over time. PH conducts thorough due diligence on suppliers throughout the relationship. The Team encouraged PH to report supplier audit data. PH focuses on clean technology markets. PH builds parts that are more efficient and have an indirect effect on customer products, but the effect is difficult to quantify.
- 8. BorgWarner Inc. (ticker symbol BWA):** BWA provides solutions for combustion, hybrid, and EVs worldwide. BWA reached out to the Team as a part of their shareholder outreach program. The Team encouraged BWA to report supplier audit data. BWA explained that their due diligence questionnaire is reviewed by a third party. The Team sent an example of supplier audit disclosure following the call. BWA's near-term emissions reduction targets have been approved by the SBTi. BWA aims to reduce Scope 1 and 2 emissions by 85% and Scope 3 emissions by 25% by

2030. BWA's Charging Forward Strategy focuses on the shift to eProducts and will directly reduce Scope 3 emissions. Additional efforts to reduce Scope 3 emissions include working with suppliers to reduce their emissions, reducing product weight, and increasing the circularity of their products. BWA has a decarbonization bonus metric for all employees. BWA is currently working on the cost/benefit analysis for these initiatives. In 2022, 88% of revenue was from clean and emissions-reducing products and 53% of R&D was invested in eProduct projects. BWA has a 2027 goal for \$10B in eProduct sales. BWA explained that the majority of the R&D spend is going to projects that BWA has already won or has a high probability of winning. BWA is not doing much guessing regarding EV demand. BWA expects the near-term volatility to continue through 2025, but BWA does not believe there is a demand issue. BWA sees significant demand for EVs from 2027 and beyond.

9. **CenterPoint Energy, Inc. (ticker symbol CNP):** CNP operates as a public utility holding company in the U.S. CNP reached out to the Team for a shareholder engagement call. The Team noted on the generation project timeline there is a potential need for wind once CNP gets to 2026 and beyond. The Team asked if this is a reliable option given offshore wind in particular appears to be a lousy business with various issuers abandoning these types of projects as they are much more expensive to build compared to land-based wind farms and solar facilities. CNP noted they are not looking at offshore wind and continue to evaluate the wind projects as they want to diversify their energy mix to ensure an adequate and reliable energy supply. The cost of compliance with coal base generation has increased their bills. Wind is considered in the outer years because they want to see battery storage replace some of the wind if it's cost effective. The Team asked if CNP has had a chance to confirm no connection to Uighur forced labor. CNP noted they added diligence for its supply chain with an expectation around sourcing of materials for solar projects. CNP noted its projects are in the early phases with construction and development, but suppliers know they need to be in compliance with the ethical sourcing requirements. The Team asked about the cost to transition the fleet to EVs and the cost of getting to net zero by 2035. CNP noted its general capital deployment plan from 2021 to 2030 is \$44 billion with a little over 60% associated with Texas infrastructure and half of that being transmission and distribution in Houston. For the net zero approach, scope 1 represents less than 5% of the capital spend during that time period. Scope 3 spend will be mainly pipeline replacement. CNP noted it will not be a huge cost to transition the fleet, as fleet refreshment is something they do from time to time and EVs aren't a needle mover. The Team asked if CNP is considering EV or hybrid vehicles. CNP noted it will likely be a mix.
10. **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. WKC reached out to the Team as a part of their shareholder outreach program. WKC discussed the result of the say-on-pay vote. Boston Partners supported say-on-pay despite ISS's recommendation to vote against. Our investment team and governance committee thought the one-time equity award was sufficiently performance based and aligned with shareholder interest. WKC mentioned that this is an interesting time for their business, as they make crucial asset allocation decisions. WKC is becoming more involved in the distribution and logistics of energy products. WKC is searching for ratatability and less volatility. WKC recently issued an updated sustainability report including additional metrics such as EEO-1 diversity data and safety rates. WKC does not have their own climate goals, but they are contributing to industry goals by helping decarbonize their customers' businesses. In 2022, WKC launched World Kinect Sustainability Ventures for investments in clean energy/future fuels. WKC is using this venture arm as R&D for the next generation of renewable fuels such as hydrogen, ammonia, etc. WKC noted that supply is still the issue for low carbon fuels. WKC sees a lot of potential for SAF, but most SAF production is still 5-7 years away from coming online due to availability and affordability. WKC's customers cannot afford to pay double for fuel, which is typically one of their largest expenses. Finally, WKC highlighted the rapidly evolving regulatory landscape as an opportunity.
11. **Entergy Corporation (ticker symbol ETR):** ETR engages in the production and retail distribution of electricity in the U.S. ETR reached out to the Team for a shareholder engagement call. The Team noted our preference for an independent Chair and ETR noted they evaluate this annually and would pass this along internally. The Team asked if ETR has considered the disclosure of whistleblower statistics since we last sent examples of this type of disclosure

in January. ETR noted they are still evaluating what information to provide but are concerned there is a risk that this type of disclosure could be misconstrued. ETR's ethics line is used heavily which is positive. ETR will consider this again and focus on what the more serious complaints resulted in. The Team asked what the cost is to be net zero by 2050. ETR noted industrial customers are looking for more clean energy solutions and ETR has a resource plan which focuses on affordability, reliability and sustainability and is not sacrificing affordability to meet this goal. The Team asked what percent of electricity is generated from renewables and ETR noted it is in the single digits. The Team asked how much the net zero goal will rely on increasing renewable electricity. ETR noted they just put out a goal by 2030 to get to 50% clean energy capacity which is nuclear plus renewables. ETR noted solar capacity is the most reliable and go to option for them. ETR is looking at domestic solar panels and has taken a number of steps to firm up the forced labor in the supply chain issue and can provide assurance that no panels are from forced labor.

- 12. Fifth Third Bancorp (ticker symbol FITB):** FITB is a diversified financial services company that operates banking centers in the Midwestern and Southeastern regions of the United States. FITB reached out to the Team for a shareholder engagement call. The Team noted in 2022 FITB participated in 3 sustainability-linked loans totaling nearly \$27 billion. The Team asked if FITB fails to achieve certain sustainability performance targets, will the interest rate increase and if so, what the total expected financial effect is in a worst-case scenario. FITB noted it would be around +3 +1 or -3 or -1 on the basis points of those loans but will circle back on the dollar amount of the penalties and discounts. The Team noted FITB used 100% renewable power purchased in 2021 and 2022. The Team asked what the cost is of using renewables over conventional fossil fuels. FITB signed its virtual PPA in 2018 and it's still a viable power option. FITB signed for an extended 10 year term to bring that project online and it opened in 2019 and since then FITB has been sourcing renewable power from an 80 megawatt solar project in North Carolina. FITB pays a fixed amount for that power every year. The excess power is then sold back to the local electricity grid. FITB has not talked publicly about the specific number, but they can confirm the project has performed well given if they were to do this project today it would not fare as well. FITB is also conducting onsite solar projects on its facilities and are trying to buy the panels from U.S. manufacturers. The Team asked if FITB has verified no connection to Uighur forced labor with the newer onsite solar panel installations. FITB will look into it.
- 13. InterDigital, Inc. (ticker symbol IDCC):** IDCC operates as a global research and development company with focus primarily on wireless, visual, and related technologies. IDCC reached out to the Team as a part of their shareholder outreach program. IDCC is one of the key contributors to the 5G standards. IDCC has a small workforce that is primarily made up of engineers and human capital is IDCC's primary ESG focus. IDCC licenses their innovation and does not have a physical product. Therefore, IDCC has a light environmental footprint. IDCC has a goal to achieve carbon neutrality through the purchase of carbon credits and office footprint reductions. IDCC has become aware of the issues with carbon credits and is evaluating their options. IDCC's compensation structure aligns with pay for performance. In response to investor feedback, IDCC has simplified the STIP with 90% based on quantifiable metrics, up from 70% previously. IDCC also removed the 10% compensation committee discretion. Additionally, IDCC reduced the LTIP performance goal time period from 5-years to 3-years. IDCC recently appointed an ESG Lead, and the CFO is the executive sponsor of ESG. IDCC takes actions that are beneficial for the business and stakeholders and typically those actions have ESG benefits as well. IDCC hires PhDs, so they are subject to the diversity of the available talent pool. To improve diversity, IDCC donates to STEM programs focused on equitable opportunities. IDCC added EEO-1 diversity data to the 2023 ESG report. IDCC does not audit their suppliers because they are primarily professionals service firms such as law firms and consultants.
- 14. Stellantis NV (ticker symbol STLA):** STLA is an automobile company, which engages in the manufacture of automobiles and provision of mobility solutions. STLA reached out to the Team to discuss the 2024 AGM. STLA noted some changes from the 2023 to the 2024 AGM. First, the LTI plan will not include RSUs and will be purely PSU related starting with the 2023 grant. The TSR metric does not allow any vesting/payout for below median performance and additional ESG metrics were added to the incentive program. 90% of CEO pay is at risk in the form of short term and long-term incentives using key financial and non-financial strategic performance metrics. STLA noted the

one-time CEO transformation incentive is over a 5 year period from 2021 to 2025 and is aligned with the success of the company. STLA noted we can expect a payout from a portion of the award as the CEO attained 3 out of the 7 milestones. The CEO did not receive a payout last year as he would have had to attain at least the 2nd milestone. STLA noted this will be the first year that compensation from this award is realized. The payout will be 10 million. The target is 250,000 of performance cash units with a value of 25M. The Team noted STLA has best in class supplier oversight. The Team asked how STLA ensures no Uighur forced labor usage. STLA noted it is difficult to swear that everything is forced labor free as that would require them to go deep into their supply chain which is complicated. STLA encourages suppliers to declare if something is not appropriately done and works with third party auditors to assess any critical situation. STLA remains cautious of the Uighur issue and knows that in China it is hard to audit as they have scheduled audits instead of unannounced auditing in place. STLA noted they have not identified anything of concern so far. STLA has a specific employee who monitors supplier oversight and offered to set up a call in 2024 with that person to discuss in more depth.

- 15. Tronox Holdings Plc (ticker symbol TROX):** TROX operates as a vertically integrated manufacturer of TiO₂ pigment. TROX reached out to the Team for a shareholder engagement call. TROX had one contractor fatality at the mining operations in South Africa in 2023. TROX noted it was due to a culmination of small mistakes that resulted in the fatality. The annual incentive plan would have paid out at a total of 72% for NEOs but due to the contractor fatality, the Board exercised 15% negative discretion for the overall TROX metrics resulting in a 60% total payout for NEOs. The Team recommended TROX disclose whistleblower statistics. TROX noted they average between 70 and 80 cases a year; half are substantiated and most of the substantiated are harassment related. TROX will consider disclosing this in the future. The Team encouraged TROX to disclose the results and any corrective actions of its supplier audits. TROX noted they are not in high-risk areas for forced labor. TROX looked into their solar panel supplier and confirmed no connection to Uighur labor. Mutllaq Al-Morished sits on 2 outside boards and will no longer be considered overboarded. TROX has a goal for 30% women on the Board although 2 directors are appointed by a shareholder. TROX noted the CEO incentive compensation is changing a bit with LTIP being 50% performance based 3-year cliff RSUs and the other 50% is time based RSUs that vest 1/3 1/3 1/3. The CEO is not going to realize this package for 3 years. TROX noted they have had road bumps in one of their major renewable initiatives which may cause a delay in achieving their near and midterm carbon reduction goals.
- 16. Schlumberger N.V. (ticker symbol SLB):** SLB supplies technology for reservoir characterization, drilling, production, and processing to the oil and gas industry worldwide. SLB reached out to the Team as a part of their shareholder outreach program. SLB highlighted their emissions reduction targets: reduce Scope 1 and 2 emissions by 30% by 2025, reduce Scope 1 and 2 emissions by 50% by 2030, reduce Scope 3 emissions by 30% by 2030, and achieve net zero emissions by 2050. Since 2019, SLB has achieved a 23% reduction of Scope 1 and 2 emissions and a 21% reduction of Scope 3 emissions. SLB has achieved 70% automation for Scope 1 and 2 emissions measurement workflows. The main focuses for Scope 1 reductions are fuel efficiency and fuel management. These actions have a negligible cost. The main focus for Scope 2 reductions is renewable energy. In 2022, 33% of SLB's facilities were run completely on renewable energy. Renewable energy requires some investment. The main focus for Scope 3 reductions is the development of transition technologies. These investments require a cost/benefit analysis. SLB is targeting \$1B in revenue from transition technologies in 2023. In 2022, SLB's transition technologies saved more than 700,000 mtCO_{2e} for their customers' operations. In 2022, SLB launched their Sustainability Impact Awards to allocate capital to local teams around the globe, to design, select and deliver high-impact, innovative, scalable, and replicable sustainability projects. SLB funded 55 high impact projects in 2022. SLB has matured their human rights program. Going forward, SLB is focusing on mapping and baselining their water use and biodiversity effects. SLB's 2023 sustainability report will include additional sustainability-related financial disclosures.
- 17. Clearfield, Inc. (ticker symbol CLFD):** CLFD manufactures and sells various fiber connectivity products. CLFD reached out to the Team prior to the annual meeting. CLFD noted that their compensation program focuses on pay for performance. CLFD received strong shareholder support for say on pay in 2023. The Team informed CLFD that Boston

Partners typically aligns with ISS for say on pay. CLFD does not foresee ISS taking issue with any ballot items for the 2024 annual meeting. CLFD is a small company with about 400 employees and a light environmental footprint. CLFD does not have any dedicated sustainability staff. CLFD hired a third party to help benchmark ESG data and conduct a materiality assessment. CLFD has made improvements to Board diversity. Currently 50% of directors are from underrepresented communities. CLFD has robust oversight of ESG at the Board level. The upcoming proxy statement will have enhanced ESG disclosures.

- 18. AGCO Corporation (ticker symbol AGCO):** AGCO manufactures and distributes agricultural equipment and related replacement parts worldwide. AGCO reached out to the Team as a part of their shareholder outreach program. AGCO recently announced a joint venture with Trimble which is the largest ag-tech deal and will be the market leader in mixed-fleet precision agriculture solutions. AGCO already achieved their 2026 emissions reduction target to reduce Scope 1 and 2 emissions intensity by 20%. This target was achieved by monitoring data and identifying issues such as leaks and outdated equipment. AGCO is evaluating new targets and investments. AGCO is also on track to achieve 60% renewable energy by 2026. Most of the renewable energy is purchased. The cost of renewable energy is relatively attractive and not a significant disadvantage. AGCO is working to reduce Scope 3 emissions from their product engines by evaluating engine idle emissions and the carbon released from the soil during the farming process. AGCO works with farmers to adopt sustainable agriculture practices. AGCO is on track for the commercial availability of a fully electric tractor by 2025. The Fendt e100 won the sustainability tractor of the year. The price is double, and the margins are lower for the e100 compared to traditional tractors. AGCO envisions electric tractors up to 150 horsepower and will focus on alternative fuels for high horsepower and long use tractors. AGCO's core engine already has the capability to run on alternative fuels. The core engine gives farmers the option to shift to renewable fuels while providing strong margins. The Team also expressed our preference for an independent Chair.

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

- 1. Air Lease Corporation (ticker symbol AL):** AL is an aircraft leasing company. AL set up a call in response to the Team's proxy letter. Boston Partners voted against say-on-pay. There were concerns surrounding the executive Chairman's total pay exceeding that of the CEO. Further, there were significant goal rigor concerns, as the company lowered targets for the annual bonus for the second consecutive year, with awards paid out above target despite a discretionary reduction by the committee. AL explained that these goal adjustments were due to COVID. AL writes 12-year lease contracts. During COVID, AL had to restructure many of their leases and had to make these adjustments due to elements that were out of their control. AL also published a supplemental proxy filing prior to the annual meeting to address ISS concerns.

Proxy Voting:

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

- 1. IBEX Ltd. (ticker symbol IBEX):** Boston Partners voted against Mohammed Khaishgi because IBEX maintains a classified board structure and a vote against all directors is warranted. Also, a vote against Khaishgi is warranted as a member of the Nominating Committee, for maintaining a problematic voting structure. Lastly, a vote against Governance Committee Chair, Khaishgi, given the Board's failure to remove, or subject to a sunset requirement the supermajority vote requirement to enact certain changes to the bylaws which adversely affects shareholder rights. Boston Partners also voted against Shuja Keen because IBEX maintains a classified board structure and a vote against all directors is warranted. Also, a vote against Keen is warranted as a member of the Nominating Committee, for maintaining a problematic voting structure. Lastly, the nominee is non-independent and a member of a key committee.

Boston Partners voted against John Leone because IBEX maintains a classified board structure and a vote against all directors is warranted.

2. **Microsoft Corporation (ticker symbol MSFT):** Boston Partners voted for a Report on Risks of Operating in Countries with Significant Human Rights Concerns because shareholders would benefit from increased disclosure regarding how MSFT is managing human rights-related risks in high-risk countries.
3. **Stride, Inc. (ticker symbol LRN):** Boston Partners voted for a report on lobbying payments and policy as additional disclosure of LRN's direct and indirect lobbying-related expenditures would help shareholders better assess the risks and benefits associated with LRN's participation in the public policy process.
4. **Copart, Inc. (ticker symbol CPRT):** Boston Partners voted against Advisory Vote to Ratify Named Executive Officers' Compensation because following last year's relatively low say-on-pay vote result, the compensation committee demonstrated only limited responsiveness. CPRT, including independent directors, engaged with investors and disclosed certain feedback received. However, the disclosed shareholder feedback was relatively vague and the committee made only limited changes to address investor concerns.
5. **Wangsu Science & Technology Co., Ltd. (ticker symbol BD5CN2):** Boston Partners voted against Item 1: Amend Working System for Independent Directors as BD5CN2 has not specified the details and the provisions covered under the proposed amendments. Boston Partners voted against Item 3: Approve Adjustment to Amount of Idle Own Funds Used for Investment in Financial Products and Extension of Investment Period because the proposed investment could expose BD5CN2 to unnecessary risks. Boston Partners voted against Item 5: Amend Articles of Association because the proposed articles amendments are not considered to adequately provide for accountability and transparency to shareholders; the new notice period may be too short, preventing independent directors from attending the meeting, and therefore reduce independent oversight of Board resolutions. Boston Partners also voted against Item 6: Amend Rules and Procedures Regarding General Meetings of Shareholders and Item 7: Amend Rules and Procedures Regarding Meetings of Board of Directors given BD5CN2 has not specified the details and the provisions covered under the proposed amendments.
6. **Bowlero Corp. (ticker symbol BOWL):** Boston Partners withheld votes from Governance Committee member Michael (Mike) Angelakis for maintaining a multi-class structure with disparate voting rights that is not subject to a reasonable time-based sunset provision. Also, withhold votes are further warranted for Governance Committee chair Michael (Mike) Angelakis given the Board's failure to remove, or subject to a sunset requirement, the supermajority vote requirement to enact certain changes to the charter and the pop-up supermajority vote requirement to amend the bylaws, which adversely affects shareholder rights. Boston Partners withheld votes from Governance Committee member Robert (Bob) Bass for maintaining a multi-class structure with disparate voting rights that is not subject to a reasonable time-based sunset provision. Boston Partners withheld votes from Thomas (Tom) Shannon as his ownership of the supervoting shares provide him with voting power control of BOWL. Boston Partners withheld votes from Governance Committee member John Young for maintaining a multi-class structure with disparate voting rights that is not subject to a reasonable time-based sunset provision.
7. **Beijing Roborock Technology Co., Ltd. (ticker symbol BNR4NT):** Boston Partners voted against Item 1: Approve Amendments to Articles of Association because the new notice period may be too short, which reduces the likelihood of independent directors attending the meeting, and therefore reduce independent oversight of Board resolutions; the amendment might hinder the independent director's authority to oversee the Board and BNR4NT operations. Boston Partners voted against Item 2.1: Amend Rules and Procedures Regarding General Meetings of Shareholders, Item 2.2: Amend Rules and Procedures Regarding Meetings of Board of Directors, Item 2.3: Amend Rules and Procedures Regarding Meetings of Board of Supervisors, Item 2.4: Amend Working System for Independent Directors, Item 2.5: Amend Management System for Providing External Investments, Item 2.6: Amend Management System for Providing External Guarantees, and Item 2.7: Amend Related-Party Transaction Management System given BNR4NT has not specified the details and the provisions covered under the proposed amendments.

8. **Bank of Baroda (ticker symbol 532134-IN):** Boston Partners voted against Item 1.1: Elect Sanjay Kapoor as Director, Item 1.2: Elect Priyank Sharma as Director, Item 1.3: Elect Suresh Chand Garg as Director, Item 1.4: Elect Kartar Singh Chauhan as Director, Item 1.5: Elect Nina Nagpal as Director, Item 1.6: Elect Rameshwar Prasad Vijay as Director, Item 1.7: Elect Jayesh Kumar Shah as Director, and Item 1.8: Elect Vishal Thakkar as Director given the lack of relevant disclosure regarding the nominees' background and work experience.
9. **Will Semiconductor Co., Ltd. Shanghai (ticker symbol BK947V):** Boston Partners voted against Item 2: Amend Rules and Procedures Regarding General Meetings of Shareholders, Item 3: Amend Rules and Procedures Regarding Meetings of Board of Directors, Item 4: Amend Working System for Independent Directors, and Item 5: Amend Rules and Procedures Regarding Meetings of Board of Supervisors given BK947V has not specified the details and the provisions covered under the proposed amendments.
10. **Shandong Pharmaceutical Glass Co., Ltd. (ticker symbol BMVB2W):** Boston Partners voted against Item 1: Approve Amendments to Articles of Association given that the amendments would reduce shareholders' ability to review and vote on material transactions. Boston Partners voted against Item 2: Amend Rules and Procedures Regarding Meetings of Board of Directors, Item 3: Amend Rules and Procedures Regarding General Meetings of Shareholders, and Item 4: Amend Rules and Procedures Regarding Meetings of Board of Supervisors given BMVB2W has not specified the details and the provisions covered under the proposed amendments.
11. **Yunnan Aluminium Co., Ltd. (ticker symbol BD5CB7):** Boston Partners voted against Item 3: Amend Working System for Independent Directors given BD5CB7 has not specified the details and the provisions covered under the proposed amendments.
12. **Satellite Chemical Co., Ltd (ticker symbol BFCCQG):** Boston Partners voted against Item 1: Amend Working System for Independent Directors given BFCCQG has not specified the details and the provisions covered under the proposed amendments.

Boston Partners voted the following number of proxies:

Number of meetings: 37

Number of issues: 257

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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