

# Sustainability and Engagement at Boston Partners

## Engagement Report

The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions during January 2024:

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

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

- 1. Perrigo Company plc (ticker symbol PRGO):** PRGO provides over-the-counter health and wellness solutions to enhance individual well-being. The Team emailed PRGO following research. The Team encouraged PRGO to report training statistics and fully align its sustainability report with GRI or SASB standards.
- 2. Yuexiu Property Company Limited (ticker symbol 123-HK):** 123-HK is a property developed in China. The Team emailed 123-HK following research and encouraged 123-HK to increase the number of independent directors on the Board, to adopt an independent Chair, to disclose the percentage of women by position across the workforce and management, asked if any electricity is derived from renewable sources and if increasing green building certifications comes with increased costs. 123-HK responded to our email and noted 123-HK had 50,000 kwh of green electricity in 2023, which is equivalent to reducing carbon dioxide emissions by 32,825 kg. For the green building certifications, sometimes this will increase the cost, but it is good for ESG. The new 2023 ESG Report will be released at the end of April 2024.
- 3. Crown Holdings Inc. (ticker symbol CCK):** CCK is a maker of beverage containers. Following research the Team inquired about CCK’s timeline for an implementation plan for its environmental goals, the oversight of suppliers for its solar panels, disclosure of additional diversity and supplier oversight detail, to disclose whistleblower and code of ethics violations and to disclose the cost of its sustainability programs.
- 4. Mastec, Inc. (ticker symbol MTZ):** MTZ is a leading infrastructure construction company operating mainly throughout North America across a range of industries. The Team emailed MTZ following research and encouraged MTZ to adopt an independent Chair, to declassify the Board, to provide data to back up the use of professional development opportunities by employees, and to provide operational environmental data including GHG emissions, energy consumption including if any is from renewable sources, water and waste usage annually. MTZ responded and noted they would pass our suggestions on to management.
- 5. Walsin Technology Corporation (ticker symbol 2492-TW):** 2492-TW is in the electronic component manufacturing industry. The Team emailed 2492-TW and encouraged 2492-TW to increase the number of independent directors on the Board, to adopt an independent Chair, to add another female Board member and asked if there is management level oversight of sustainability.

6. **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 in December 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. IGIC responded to our email in January and thanked us for the information and noted our comments.
7. **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. RYAM responded and noted RYAM has conducted a benchmarking analysis of its sustainability disclosures and acknowledged the need for additional narrative development, particularly in the area of social topics. While RYAM recently supplied additional data on employee training and safety metrics through Ecovadis, RYAM also plans to provide more comprehensive information in its upcoming sustainability report scheduled for release in Q4 2024. The majority of suppliers are situated in the countries where they operate, namely the U.S., Canada, and France. Additionally, RYAM has implemented a supplier code of conduct and incorporated language in contracts specifically aimed at addressing human rights concerns within the supply chain.
8. **New Jersey Resources Corporation (ticker symbol NJR):** NJR distributes natural gas. The Team emailed NJR following research. The Team encouraged NJR to remove the classified Board structure, report training statistics, elaborate on the employee safety program, and report on supplier oversight.
9. **Essent Group Ltd. (ticker symbol ESNT):** ESNT provides private mortgage insurance and reinsurance for mortgages secured by residential properties. The Team emailed ESNT following research. The Team encouraged ESNT to adopt an independent Chair, align sustainability disclosure with GRI or SASB standards, report whistleblower statistics, discuss climate change in accordance with CDP or TCFD, publish EEO-1 diversity data, and report environmental data. ESNT acknowledged the receipt of our email.
10. **American Electric Power Company, Inc. (ticker symbol AEP):** AEP is an electric public utility holding company, which engages in the generation, transmission, and distribution of electricity for sale to retail and wholesale customers in the U.S. The Team emailed AEP following research and encouraged AEP to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, and noted total purchased generation is 9% coal, 12.5% renewable energy resources, and 1.5% natural gas with 77% being other. The Team asked what the other category includes. AEP responded and noted AEP has a “Speak Up Policy” in place to ensure AEP conducts business in an ethical manner in compliance with its Principles of Business Conduct. The policy applies to all employees, contractors, vendors and third-party suppliers. It reinforces federal protection of whistleblowers who report fraud, corruption, abuse or mismanagement. AEP does not tolerate any retribution or retaliation against anyone for raising a concern in good faith about a potential violation of this policy, or for cooperating with an investigation. In addition, AEP has a toll-free Concerns Line that is available 24 hours a day. AEP does not publish data associated with this. The “other” category of purchased power represents AEP’s purchased generation from resources where the energy mix is not defined. For GHG reporting, appropriate eGRID emission factors are applied to the generation in the “other” category to approximate emissions. AEP continually works to improve reporting accuracy by identifying sources and minimizing the generation sources that, by default, make up the “other” category.
11. **Check Point Software Technologies Ltd. (ticker symbol CHKP):** CHKP develops, markets, and supports a range of products and services for IT security worldwide. The Team emailed CHKP following research and encouraged CHKP to disclose whistleblower claims/code of ethics violations and their resolution annually, 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, to report on operational waste and water usage annually and asked where the majority of suppliers are located. CHKP responded to our email and noted

they aim to evaluate and explore how best to align with our recommendations and appreciate our input and will keep us updated on any progress made in this regard.

12. **Greentown China Holdings Ltd. (ticker symbol 3900-HK):** 3900-HK engages in the property development and related business in China. The Team emailed 3900-HK following research. The Team asked what percentage of revenue is from projects with green building certifications. The Team asked if any energy consumption is from renewable sources. The Team asked if any human rights issues have been identified in the supply chain. The Team asked if 3900-HK has plans to increase the number of women on the Board.
13. **J.M Smucker Company (ticker symbol SJM):** SJM is an American manufacturer of food and beverage products. The Team emailed SJM following research and encouraged SJM to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, and asked where the majority of suppliers are located.
14. **Kellanova (ticker symbol K):** K manufactures and markets snacks and convenience foods. The Team emailed K following research. The Team encouraged K to adopt an independent Chair and eliminate the classified Board structure.
15. **Crocs, Inc. (ticker symbol CROX):** CROX designs, develops, manufactures, markets, and distributes casual lifestyle footwear and accessories for men, women, and children worldwide. The Team emailed CROX following research and encouraged CROX to declassify the Board, to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose data to back up the use of professional development programs by employees, asked how the safety rates compare to the industry average as it relates to U.S. operations, how much electricity is from renewable sources, and what the total waste and water usage is across CROX operations. The Team also noticed that U.S. employees are eligible for travel and lodging reimbursement related to safe and affordable reproductive care that is not available within 50 miles of home. The Team asked how being outspoken on this issue is beneficial to shareholders. The Team noted our perspective is for issuers to focus on those challenges that they are best equipped to address and that directly relate to the core business.
16. **Curtiss-Wright Corporation (ticker symbol CW):** CW provides engineered products, solutions, and services to the aerospace, defense, general industrial, and power generation markets worldwide. The Team emailed CW following research and reminded CW of our suggestions from 2021 and included additional suggestions such as training data and asked if there is management level oversight of ESG, when CW anticipates disclosure on environmental metrics, and asked about the cause of the safety rates increasing year-over-year. CW responded to our email and noted they have reviewed our questions and value our input. CW is working with its leadership team on the responses.
17. **Surgepays, Inc. (ticker symbol SURG):** SURG operates as a technology and telecommunications company. The Team emailed SURG following research and encouraged SURG to adopt an independent Chair, to add a director to the Board who identifies as a racial/ethnic minority, and to publish a sustainability report in accordance with GRI and SASB standards.
18. **Pinstripes Holdings, Inc. (ticker symbol PNST):** PNST operates a dining and entertainment concept restaurants. The Team emailed PNST following research and encouraged PNST to publish a sustainability report in accordance with GRI and SASB, to add a woman to the Board, to adopt an independent Chair, and asked if PNST has reviewed the Glassdoor rating and taken any action to address any perceived weaknesses from the reviews.
19. **Albertsons Companies, Inc. (ticker symbol ACI):** ACI is an American grocery company. The Team emailed ACI following research and encouraged ACI to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, and asked if ACI assesses any suppliers to ensure no forced labor involvement.
20. **American Homes 4 Rent (ticker symbol AMH):** AMH is a leading single-family property owner, leasing operator and build-to-rent developer. The Team emailed AMH following research. The Team encouraged AMH to report water and waste data and to establish environmental targets. AMH acknowledged receipt of our email and will take our suggestions into consideration as they progress in their sustainability journey.

- 21. Restaurant Brands International, Inc. (ticker symbol QSR):** QSR operates as quick service restaurant company in Canada and internationally. The Team emailed QSR following research and encouraged QSR to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose data to back up the use of professional development programs by employees, to disclose operational water and waste consumption data annually, and asked if QSR assesses/audits suppliers to ensure no forced labor involvement. The Team noticed in 2022, QSR committed to having at least 50% of all final round candidates for any role at QSR's four corporate offices and field teams be demonstrably diverse, including gender, race and, where permitted, sexual orientation. This is part of senior leader's bonus criteria. The Team asked if QSR's DE&I initiatives and programs are distinct from and able to succeed without the use of impermissible gender/racial quotas and if QSR's DE&I policies potentially provide a zero-sum advantage on account of race/gender.
- 22. TEGNA Inc. (ticker symbol TGNA):** TGNA operates as a media company in the U.S. The Team emailed TGNA following research. The Team encouraged TGNA to publish an updated sustainability report, provide employee training statistics, and report environmental data.
- 23. Interpublic Group of Companies, Inc. (ticker symbol IPG):** IPG provides advertising and marketing services. The Team emailed IPG following research and noted the Compensation Committee of the Board set HPOs for the CEO. HPOs include goals related to DE&I, talent management, among others. The Team asked if IPG could provide the weighting of DE&I on the HPO metric and what the expected payout is. The Team noticed IPG announced that it would provide travel funding for employees or their family members to access reproductive healthcare. The Team asked how being outspoken on this issue is beneficial to shareholders. IPG responded and noted they do not publicly disclose the specific weighting of the individual components that comprise the HPO objectives. The factors involved for these metrics involve numerous components, including the oversight and leadership of various networks and brands on each of these components. While IPG understands the interest in specific weighting and targets, disclosing such information would enable core competitors' access to information and metrics they feel may affect their ability to recruit, and retain talent in a competitive market. When considering whether to make any public statements on matters of social importance, IPG carefully takes into consideration all key stakeholders. IPG employees are crucially important to continuing financial and operating success and are among the most valuable assets. In communicating with employees during the initial announcement of the draft Supreme Court opinion, IPG considered all relevant factors when both determining to provide such assistance and also to publicly announce such decision. Separately, IPG subsequently faced a potential shareholder proposal for the 2023 proxy season on the protection of data privacy and reproductive rights. In discussing the proposal with the shareholder proponent, IPG's ability to reference that public statement was a key factor in having the proposal withdrawn.
- 24. The Manitowoc Company, Inc. (ticker symbol MTW):** MTW provides engineered lifting solutions. MTW responded to the Team's email following research and set up a call to discuss supplier audits. MTW has always done normal audits but starting last year they engaged with Assent for ESG audits. These audits covered the top 100 suppliers in 2023, with expanded coverage expected in 2024. MTW has not identified any major issues yet. MTW will provide additional disclosure in this year's CSR report. MTW's suppliers are located all over the globe. The CEO has visited the China supplier facilities and has not seen any issues. The CEO is going back to visit the largest supplier in China in July. MTW's suppliers use a significant amount of automation. The Team asked about the electrification of crane technology. MTW has started with hybrid concepts because they are more practical than EVs. MTW presented a hybrid prototype and received feedback from customers. The crane lifting mechanics can be electric, but the driving mechanism requires a hybrid engine unless it is a crawler crane. The Team asked about the cost-benefit analysis of crane electrification. MTW explained that there is no benefit. The electrification of crane technology is purely driven by regulation. Hybrid cranes will be significantly more expensive. MTW also highlighted that they continue to make improvements in reducing their environmental footprint. MTW is a smaller company that cannot afford to purchase offsets. MTW's sustainability investments must provide a return because they cannot afford to waste CapEx.

25. **Asahi Group Holdings Ltd. (ticker symbol 2502-JP):** 2502-JP engages in the manufacture and sale of food and beverages. The Team emailed 2502-JP following research. The Team encouraged 2502-JP to adopt an independent Chair, increase the number of independent directors, and report supplier audit data.
26. **Resources Connection, Inc. (ticker symbol RGP):** RGP provides consulting services to business customers. The Team emailed RGP following research. The Team encouraged RGP to publish a sustainability report in accordance with GRI or SASB standards and to eliminate the classified Board structure.
27. **FirstEnergy Corp. (ticker symbol FE):** FE through its subsidiaries, generates, transmits, and distributes electricity in the U.S. The Team emailed FE following research and encouraged FE to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, asked what the cost is to meet its GHG reduction targets and where the majority of suppliers are located.
28. **Dun & Bradstreet Holdings, Inc. (ticker symbol DNB):** DNB provides business decisioning data and analytics in North America and internationally. The Team emailed DNB following research and encouraged DNB to adopt an independent Chair. The Team asked for the percentage of revenue from ESG products.
29. **Host Hotels & Resorts, Inc. (ticker symbol HST):** HST is the largest lodging REIT and one of the largest owners of luxury and upper-upscale hotels. The Team emailed HST following research and encouraged HST to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, and noted in 2022 HST achieved the target to include at least two women and two POC in each candidate pool for all three externally sourced executive-level positions HST hired. The Team asked if any of the three hires are women or racially/ethnically diverse.
30. **Willis Towers Watson Plc (ticker symbol WTW):** WTW is a professional services company. The Team emailed WTW following research and encouraged WTW to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose data to back up the use of professional development programs by employees, to disclose progress made against its environmental targets on an annual basis, to disclose operational water and waste usage annually, and to disclose operational energy consumption including if any electricity is sourced from renewables.
31. **Concentrix Corporation (ticker symbol CNXC):** CNXC provides technology-infused customer experience solutions worldwide. The Team emailed CNXC following research and encouraged CNXC to disclose whistleblower claims/code of ethics violations and their resolution annually, to provide the right to call special meetings and to act by written consent, and to eliminate the supermajority voting provisions. The Team also encouraged CNXC to provide where the majority of suppliers are located and the amount of auditing conducted.
32. **Savers Value Village, Inc. (ticker symbol SVV):** SVV is a thrift store retailer. The Team emailed SVV following research and encouraged SVV to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose climate change risks and opportunities in accordance with TCFD or CDP and asked if there is Board level oversight of ESG. The Team asked when GHG emissions are expected to be disclosed and about the cost of purchasing renewable electricity over conventional fossil fuels. The Team asked if the procurement team is discussing forced labor prevention. SVV responded to our email and noted SVV is looking to issue two ESG reports in the coming months. The first will be a report containing 2022 data and the second will contain 2023 data. The Nominating, Governance & Sustainability Committee of the Board has oversight of ESG. In addition, the Audit Committee and the full Board receives ESG briefings and has opportunities to provide input. SVV engaged a third-party climate change and energy consultant in 2023 to help calculate Scope 1 and 2 emissions. The analysis, completed in May 2023, was referenced in the published SASB Table. This initial analysis was a good start and made some recommendations around data collection and measurement. SVV plans to conduct another Scope 1 and 2 study this year. Additional years of reporting are necessary to understand the greatest opportunities to reduce emissions, and tracking will help SVV set long-term GHG reduction targets. SVV intends to engage a third-party consultant to capture Scopes 1, 2 and 3, and then work with them to develop a carbon reduction plan. Meanwhile, for the past



two years, SVV has purchased RECs to offset grid energy use at corporate offices and the largest two Wholesale Distribution Centers. SVV does not know the cost of purchasing renewable electricity over conventional fossil fuels at this time. SVV has not yet initiated discussions in regard to forced labor prevention with key suppliers.

33. **Phreesia, Inc. (ticker symbol PHR):** PHR provides an integrated SaaS-based software and payment platform for the healthcare industry. The Team emailed PHR following research and encouraged PHR to disclose whistleblower claims/code of ethics violations and their resolution annually, to declassify the Board, to disclose a description of its professional development programs and data to back up the use of these programs by employees, to align its reporting with the GRI standards and asked if there is management level oversight of ESG. The Team noticed Indeed.com rates PHR at 2.5 out of 5. The Team asked if PHR has reviewed these ratings and taken any action to address any perceived weaknesses from the reviews.
34. **Chegg, Inc. (ticker symbol CHGG):** CHGG operates a direct-to-student learning platform. The Team emailed CHGG following research and encouraged CHGG to eliminate the classified Board structure.
35. **NOV Inc. (ticker symbol NOV):** NOV designs, constructs, manufactures, and sells systems, components, and products for oil and gas drilling and production, and industrial and renewable energy sectors worldwide. The Team emailed NOV following research and encouraged NOV to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose the number of suppliers audited annually, the result of those audits and any corrective actions taken, asked about use of renewable energy in operations and whether NOV aims to set environmental goals in the coming years.
36. **Open Text Corporation (ticker symbol OTEX):** OTEX is a Canadian company that develops and sells enterprise information management software. The Team emailed OTEX following research and encouraged OTEX to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose data to back up the use of its professional development programs by employees, and asked how OTEX's PUE compares to the industry average. The Team also asked how many suppliers have been identified as high risk and if OTEX had to implement any corrective actions.
37. **Greenlight Capital Re, Ltd. (ticker symbol GLRE):** GLRE operates as a property and casualty reinsurance company worldwide. The Team emailed GLRE following research. The Team encouraged GLRE to publish a formal sustainability report in accordance with GRI or SASB standards and to discuss climate-related risks and opportunities in accordance with TCFD or CDP. The Team also encouraged GLRE to adopt an independent Chair.
38. **Lyft, Inc. (ticker symbol LYFT):** LYFT operates a peer-to-peer marketplace for on-demand ridesharing. The Team emailed LYFT following research and encouraged LYFT to adopt an independent Chair, to disclose whistleblower claims/code of ethics violations and their resolution annually, to declassify the Board, and to disclose data to back up the use of professional development programs by employees.
39. **Alphabet, Inc. (ticker symbol GOOGL):** GOOGL offers various products and platforms in the U.S., Europe, the Middle East, Africa, the Asia-Pacific, Canada, and Latin America. The Team emailed GOOGL following research and encouraged GOOGL to disclose whistleblower claims/code of ethics violations and their resolution annually.
40. **Genus Plc (ticker symbol GNS-GB):** GNS-GB is an animal genetics company. The Team emailed GNS-GB following research and encouraged GNS-GB to describe its supplier oversight program and to report employee training statistics.
41. **Humana, Inc. (ticker symbol HUM):** HUM operates as a health and well-being company in the U.S. The Team emailed HUM following research and encouraged HUM to disclose whistleblower claims/code of ethics violations and their resolution annually and asked about the cause of the significant decrease in total renewable energy consumption and fuel consumption from renewable sources.

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

- 1. FMC Corporation (ticker symbol FMC):** FMC is an agricultural sciences company. FMC reached out to the Team as a part of their shareholder outreach program. FMC believes sustainability contributes to top line growth and reduces costs. Since 2020, FMC has added 3 new independent directors. FMC's Chair is the former CEO. He will become independent according to NYSE standards in April 2024. FMC is the first in their industry with an SBTi-approved net zero target. To achieve net zero, FMC is looking at operational efficiencies, sourcing renewable energy and biofuels, moving to LED lights, installing solar panels, and more. FMC is in the early stages of their roadmap and will work to quantify the savings that these initiatives provide. FMC ensured the Team that the capital investments for sustainability undergo the same scrutiny as traditional investments. FMC's 2035 net zero target includes Scope 3 emissions. FMC is helping their suppliers learn from one another to drive cost efficiencies. FMC also highlighted their water and waste goals. Two of FMC's facilities have undergone a transformation to increase the circularity of waste streams. These initiatives have led to annual savings of \$2 million and \$4.5 million, at each respective facility. The Team asked about customer demand for sustainable products. FMC confirmed that sustainability is extremely important to their customers. For their downstream customers, FMC is included in Scope 3 calculations. FMC believes sustainable products are a differentiator for their business. FMC also has a product sustainability assessment tool that they use to evaluate their products.
- 2. Aflac Incorporated (ticker symbol AFL):** AFL provides supplemental health and life insurance products. AFL reached out to the Team as a part of their shareholder outreach program. AFL discussed the announcement of their COO's retirement. AFL ensured the Team that they have a succession plan in place for the COO, and for the CEO when that time comes. The Team encouraged AFL to adopt an independent Chair during the next CEO transition. AFL noted that they would likely separate the positions at that time, but not necessarily adopt an independent Chair immediately. The Team reiterated our suggestions for AFL to report supplier audit data and whistleblower statistics. AFL currently reports these internally but will consider publicly disclosing them in the future. The Team sent over examples after the call. The Team asked about AFL's road map to achieve their carbon neutrality and net zero targets. AFL will continue to purchase RECs and expand onsite solar capacity in the U.S. AFL is trying to figure out how to handle financed emissions for their life insurance portfolio. AFL would like to set science-based targets, but they likely will not align with SBTi due to the difficulty of aligning with that standard. This year is AFL's third year calculating their financed emissions; however, they still do not feel comfortable disclosing this data without attestation. AFL noted that new federal and state regulations could lead to increased compliance costs.
- 3. Kinross Gold Corporation (ticker symbol K-CA):** K-CA engages in the acquisition, exploration, and development of gold properties. K-CA reached out to the Team as part of its shareholder engagement program. K-CA noted a few say on pay updates. K-CA noted they are kicking off an updated materiality process this year. The Team noted that they initiated reporting in 2024 as required by Canada's Bill S-211 on Forced labor and Child labor in Supply Chains. This bill was approved last year, and K-CA has a task force in place to work on this requirement and has contracted PWC to help them put together their modern slavery statement and transparency related disclosures. K-CA is creating a roadmap to have a stronger framework to managing risks relating to modern slavery. K-CA mentioned due diligence has been around compliance with mainly anticorruption and bribery but going forward K-CA will implement due diligence to include a risk assessment in the supply chain as it relates to modern slavery. The Team recommended K-CA focus on the 267 most significant suppliers and find out if any are located in high-risk regions. The Team noted 50.6% of Brazil, Chile and Mauritania are represented by CBAs. The Team asked about any strikes in 2023 and how these relations are with these groups. K-CA noted there were no labor stoppages or other events with any unions in 2023. The Team noted in 2022, three operating mines and three projects are located in or adjacent to Indigenous Peoples' territories. The Team asked about these relations in 2023. K-CA went through each group corresponding to the regions they operate and overall, K-CA's approach is active engagement and there have been no major red flags.
- 4. Textron, Inc. (ticker symbol TXT):** TXT operates in the aircraft, defense, industrial, and finance businesses worldwide. TXT reached out to the Team as a part of its shareholder outreach program. The Team noted over 40% of electricity

use at TXT facilities in 2023 was from renewable sources. The Team asked what the cost/benefit is of purchasing renewables over conventional fossil fuel electricity. TXT noted renewable electricity is primarily from a wind energy agreement in Kansas and onsite solar generation in Europe, Asia, and South America. Some RECs are purchased in the U.S. and Europe. TXT conducted a full analysis on the VPPA market in the U.S. and noticed the current agreement in Kansas was enacted in 2018 which presented a savings opportunity as to today where the VPPA market in North America now could be cost negative meaning renewables would cost more than conventional fossil fuel derived electricity. Renewables are more favorable in Europe and TXT is looking to do more renewables in that region. The Team asked where the majority of suppliers are located. TXT noted more than  $\frac{3}{4}$  of suppliers are in North and South America. TXT also noted they do not have any suppliers in high-risk areas for forced labor. The Team discussed the 2024 LTIP and the Team noted we would support the shareholder proposal for an independent Board Chair at the 2024 annual meeting.

5. **Stride, Inc. (ticker symbol LRN):** LRN is an online education platform that offers both general education and career learning options. LRN reached out to the Team to discuss recommendations for the new 2024 sustainability report. LRN noted they received our email with disclosure recommendations. LRN acknowledged they are not sure why they have not disclosed EEO-1 data yet but said they will improve diversity related disclosures in the 2024 report. LRN will try to incorporate training data in the report. LRN is working to disclose GHG emissions in the 2024 report and are trying to align climate change disclosures with a recognized framework although it might not be TCFD aligned. The VP of IR leads the cross functional committee overseeing ESG, but it will likely transition to the HR office or internal audit team. The 2024 sustainability report will likely be released in September 2024. The Team noted we ended up voting FOR a report on lobbying payments and policy at the December 2023 annual meeting and LRN noted they will include this in their report to the Board.
6. **Rexel SA (ticker symbol RXL-FR):** RXL-FR operates as a holding company and is engaged in the distribution of electrical products. RXL-FR reached out to the Team for a shareholder engagement call. The Team asked if RXL-FR foresees ISS or Glass Lewis taking issue with any items at the 2024 AGM. RXL-FR noted they do not foresee any issues. RXL-FR noted the Board is classified/staggard and directors are elected on a 4-year basis. The Team noted our preference for directors to be elected annually although we understand that RXL-FR is in compliance with the French corporate governance code known as Afep-Medef and it is common for French companies to have staggard Boards. RXL-FR noted they would bring our suggestion to the rest of the Board. The Team noted RXL-FR launched a new sustainability-linked bond in September 2023 (after a first one in 2021). The Team asked if there is a penalty if RXL-FR does not meet its GHG reduction target associated with the bond. RXL-FR noted there is a penalty rate and it is 25 basis points but is not material. The Team asked about the cost of RXL-FR to meet its GHG reduction goals. RXL-FR noted their Scope 1 and 2 emissions do not make up a significant portion of total emissions. Scope 3 emissions represent the vast majority and RXL-FR is working with suppliers who have the same rigorous environmental goals. RXL-FR reviews progress from suppliers on an annual basis. The Team noted in 2022, RXL-FR sent questionnaires to its 32 European suppliers. Their goal is to extend these audits to RXL-FR's 18 Asian suppliers by 2023. The Team asked if RXL-FR has sent the questionnaires to its Asian suppliers yet and about the results. RXL-FR noted its Chinese suppliers have signed the proper documentation and RXL-FR is monitoring forced labor concerns closely.
7. **CRH Plc (ticker symbol CRH):** CRH manufactures and distributes building materials and products for the construction industry. CRH reached out to the Team as a part of their shareholder outreach program. CRH has sold off their lime business which accounted for 11% of their carbon footprint. CRH is moving their primary listing to the NYSE and maintaining a listing on the London stock exchange. CRH is making continued progress towards emissions reduction and sustainable product targets. Unfortunately, CRH had some fatalities in 2023. CRH has found no evidence that the fatalities were caused by underinvestment or lack of training. CRH highlighted that the cement business accounts for around 85% of CO2 emissions, and 60-65% of actual emission from cement come down to the chemical process itself. Reducing the clinker factor is the primary driver of emissions reductions in the chemical process. The biggest challenge is customer acceptance of changing the chemical makeup of the cement. CRH has a \$250 million innovation fund



for investments in decarbonization solutions that would not normally reach their investment criteria. CRH noted that sustainable investments typically align with normal business decisions. In Europe especially, these investments make sense due to carbon pricing. On the flip side, CRH's competitors have survived on carbon credits which will eventually run out. CRH also sees an opportunity to incorporate carbon capture at their plants and in their products. A significant amount of CRH's products are being adapted to support alternative energy. CRH has a successful water movement business focused on efficiently moving water and replacing old pipes.

- 8. Rheinmetall AG (ticker symbol RHM-DE):** RHM-DE produces automotive components and defense equipment. RHM-DE reached out for a shareholder engagement call. The Team asked the main challenges in recruiting women. RHM-DE noted the female ratio is growing but it is hard to find enough women candidates as women in the technology industry is low. The Team asked about the 2024 expected employee headcount. RHM-DE noted the employee headcount is growing in 2024 and will be larger than prior years. Neither of the two Board candidates are considered overboarded. ESG objectives are 20% part of the STI and LTI remuneration package. The Team asked how each of the ESG objectives weigh into the 20% and what the payout of the award was in 2023. RHM-DE noted they reached almost all of their objectives under the ESG criteria. RHM-DE will disclose goals and target achievement in the proxy. The Team reinforced our position to make sure ESG objectives are measurable and rigorous. The Team asked about the cost to achieve carbon neutrality by 2035. RHM-DE noted as part of the CSRD reporting starting in 2025 all targets must be underpinned with measures and initiatives. RHM-DE will provide a coherent strategy to achieve the carbon neutrality target next year. The Team asked if the carbon neutrality goal will rely on carbon offsets. RHM-DE is focused on special projects which include on-site solar projects, H2 usage, etc. The Team asked if RHM-DE looks at if a company produces controversial weapons prior to an acquisition. RHM-DE does not want to produce controversial weapons and if they did acquire a company with an affiliation, they would try to eliminate the affiliation. RHM-DE noted business partners are subject to audits both by the Compliance and CSR departments. No issues were reported over the last three years regarding forced labor with any suppliers that led to a cancellation of any supplier relations. The German Lieferkettengesetz will require further scrutiny and will be integrated into business partner due diligence.
- 9. Peabody Energy Corporation (ticker symbol BTU):** BTU engages in coal mining business. BTU reached out to the Team as a part of their shareholder outreach program. BTU believes coal will continue to be essential. BTU is a leading producer of both thermal and met coal. Thermal coal is used for energy production. BTU acknowledged the structural decline in the use of thermal coal in the U.S. However, BTU believes the energy transition process will be longer than previously thought. Met coal is primarily used for steel production. BTU believes there is no real substitute for met coal. Electric arc furnaces require significant amounts of scrap steel. BTU will continue to serve the demand for steel production. As a result of recent freezes in Texas, coal plants are being held on warm standby to supplement the energy grid in the winter. BTU is preparing data collection of Scope 3 emissions. BTU noted that the disclosure requirements in Australia and the U.S. are still up in the air. Regarding carbon capture, BTU does not do their own research and development, but they are working to bring parties together in an effort to advance the technology. The technology needs to be developed and BTU's customers need to be interested in adopting it. BTU has had good success in the renewal of their insurance. BTU noted that the insurance markets have tightened but there is still ample capacity for BTU's programs. The Team asked if Biden's pause on LNG export approvals will have any indirect effects on BTU. Economically, the decision will have a slight negative effect on the margin.

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

- 1. Wix.com Ltd. (ticker symbol WIX):** WIX develops and markets a cloud-based platform that enables users to create a website or web application. WIX scheduled a call in response to the Team's proxy letter regarding votes against CEO compensation. The Team informed WIX that Boston Partners typically votes in line with ISS on compensation items. WIX disagrees with ISS's dilution calculations. WIX sent a letter to ISS expressing their concerns. The Team mentioned our preference for a declassified Board and informed WIX of our updated proxy policy. WIX noted that the classified Board is standard practice in Israel. The Team encouraged WIX to report environmental metrics and discuss

climate-related risks and opportunities. WIX is gathering environmental data and will report in the coming years. WIX is using the CDP to inform their environmental disclosures. The Team encouraged WIX to conduct supplier audits. WIX does not believe they have any significant risks in their supply chain. WIX noted that 5% of the global employee base was drafted or called to service in Israel. WIX has business continuity plans in place, so they did not experience any operational disruptions. At least half of the employees that were called to duty have returned to work.

### Proxy Voting:

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

1. **Commercial Metals Company (ticker symbol CMC):** Voted against Vicki L. Avril-Groves, John R. McPherson, and Barbara R. Smith because CMC maintains a classified Board structure and a vote against all directors is warranted.
2. **Shandong Sunpaper Co., Ltd. (ticker symbol BD5CC9):** Voted against Item 3: Amend Working System for Independent Directors given BD5CC9 has not specified the details and the provisions covered under the proposed amendments.
3. **Zhuzhou Kibing Group Co., Ltd. (ticker symbol BP3RFL):** Voted against Item 2: Amend Rules and Procedures Regarding Meetings of Board of Directors and Other Related Governance Systems given BP3RFL has not specified the details and the provisions covered under the proposed amendments.
4. **Pure Cycle Corporation (ticker symbol PCYO):** Withheld votes from Daniel R. Kozlowski and Jeffrey G. Sheets as they are incumbent members of the nominating committee, and the Board does not have the required number of members that are not of the majority Board gender and does not have any underrepresented directors. Boston Partners requires at least two women if there are seven or more directors and at least one Board member from an underrepresented community. Voted against Item 4: Approve Omnibus Stock Plan because the plan has liberal change-in-control vesting risk (overriding factor), the plan cost is excessive, the estimated duration of available and proposed shares exceeds six years, the disclosure of change-in-control vesting treatment is incomplete (or is otherwise considered discretionary), and the plan allows broad discretion to accelerate vesting.
5. **Super Micro Computer, Inc. (ticker symbol SMCI):** Withheld votes from Judy Lin, Sara Liu, and Yih-Shyan (Wally) Liaw because SMCI maintains a classified board structure and a withhold vote from all directors is warranted. Voted against Item 4: Amend Omnibus Stock Plan because SMCI's three-year average adjusted burn rate exceeds 3.5 percent. Also, the plan cost is excessive, the disclosure of change-in-control vesting treatment is incomplete (or is otherwise considered discretionary), and the plan allows broad discretion to accelerate vesting.
6. **Jacobs Solutions, Inc. (ticker symbol J):** Voted for Item 6: Adopt Simple Majority Vote given that elimination of the supermajority vote requirement would enhance shareholder rights.
7. **New Jersey Resources Corporation (ticker symbol NJR):** Withheld votes from Donald L. Correll, James H. DeGraffenreidt, Jr, Susan Hardwick, and Peter C. Harvey because NJR maintains a classified Board structure and a withhold vote from all directors is warranted.
8. **Anker Innovations Technology Co., Ltd. (ticker symbol BNR4MR):** Voted against Item 3.1: Amend Working System for Independent Directors; Item 3.2: Amend Rules and Procedures Regarding General Meetings of Shareholders; Item 3.3: Amend Rules and Procedures Regarding Meetings of Board of Directors; Item 3.4: Amend Profit Distribution Management System; Item 3.5: Amend External Guarantee Management System; Item 3.6: Amend Measures for the Management of Related Party Transactions; and Item 3.7: Amend Raised Funds Management System because BNR4MR has not specified the details and the provisions covered under the proposed amendments.
9. **Jabil, Inc. (ticker symbol JBL):** Voted for Item 5: Reduce Ownership Threshold for Shareholders to Call Special Meeting because Boston Partners supports shareholder proposals requesting the right to call a special meeting as long as the proposed ownership threshold is at least 10 percent of the company's shares outstanding.

10. **Spire, Inc. (ticker symbol SR):** Withheld votes from Mark A. Borer, Maria V. Fogarty, and Steven L. Lindsey because SR maintains a classified Board structure and a withhold vote from all directors is warranted.
11. **Midea Group Co. Ltd. (ticker symbol BD5CPP):** Voted against Item 6: Approve Provision of Guarantee because the level of guarantee to be provided to some of its subsidiaries is disproportionate to the level of ownership in the said subsidiaries. BD5CPP has failed to provide any justifications in the meeting circular.
12. **Suofeiya Home Collection Co., Ltd. (ticker symbol BD5CFM):** 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 because BD5CFM has not specified the details and the provisions covered under the proposed amendments.
13. **BellRing Brands, Inc. (ticker symbol BRBR):** Withheld votes from Shawn W. Conway, Thomas P. Erickson, and Jennifer Kuperman Johnson because BRBR maintains a classified Board structure and a withhold vote from all directors is warranted. Withhold votes are also warranted for Governance Committee members Thomas Erickson and Jennifer Kuperman Johnson given the Board's failure to remove, or subject to a reasonable sunset requirement which adversely affects shareholder rights.

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

Number of meetings: 25

Number of issues: 230

**Disclosure**

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**Boston Partners** | One Beacon Street, Boston, MA 02108 tel: 617-832-8200 | [www.boston-partners.com](http://www.boston-partners.com)

**Boston Partners (UK) Ltd.** | 32 Cornhill, London, EC3V 3SG tel: +44 (0)20 3356 6225 | [www.boston-partners-uk.com](http://www.boston-partners-uk.com)