

Sustainability and Engagement at Boston Partners

Engagement Report

The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions in December 2018:

Issuer Calls and Meetings.

1. **BorgWarner Inc. (ticker symbol: BWA):** BWA is a manufacturer of certain precision car parts. The Team met with the BWA VP for Investor Relations, the BWA Chief Compliance Officer and the BWA VP for Corporate Human Resources as part of BWA’s normal shareholder engagement. The Team expressed support for a shareholder proposal to require an independent chairman. The Team also encouraged BWA to improve its CDP rating from a C.
 2. **Cisco Systems, Inc. (ticker symbol: CSCO):** CSCO makes networking equipment and other IT products. The Team met with the CSCO VP Law and Deputy General Counsel and the CSCO Head of Investor Relations as part of CSCO’s normal shareholder engagement. The Team discussed compensation paid to certain executive officers and transition incentives. The Team also informed CSCO that it would vote in favor of a shareholder proposal to require an independent board chairman and that it would vote against the reelection of one director for over-boarding concerns and informed CSCO of Boston Partners’ over-boarding criterion.
 3. **Accuray Incorporated (ticker symbol: ARAY):** ARAY makes devices for radiosurgery and radiation therapy systems. The Team met with ARAY’s investor relations representative and ARAY’s Senior VP and Chief Financial Officer. The Team reiterated that Boston Partners had voted against the omnibus stock plan because the burn rate was excessive. The ARAY representatives agreed to forward that information to the ARAY Directors. The Team also asked ARAY to eliminate the classified board, provide shareholders with the right to call a special meeting and to act by written consent, and to publish a corporate responsibility report in accordance with the GRI standards. ARAY didn’t commit to publishing a corporate responsibility report but did agree to provide additional sustainability information on the ARAY website in the future.
 4. **W. R. Berkley Corporation (ticker symbol: WRB):** WRB is an insurance holding company for commercial insurance and reinsurance. The Team met with the head of investor relations and the CEO as part of WRB’s shareholder engagement. WRB discussed two issues that ISS had flagged, the ability for the Chairman to pledge stock and the ability to have discretion in the annual bonus structure. The Team listened to WRB’s presentation on these two issues and agreed to research the issues further prior to the next proxy vote. The Team also encouraged WRB to require an independent chairman and to publish a corporate responsibility report in accordance with GRI standards. WRB was unwilling to produce a corporate responsibility report but said more sustainability disclosure would be on its website.
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5. **Westrock Company (ticker symbol: WRK):** WRK manufactures and sells paper and packaging solutions for the consumer and corrugated markets. The Team sent a communication to the WRK investor relations contacts addressing the following items: a. provide an annual rather than biennial update to the WRK sustainability report; b. provide that the chairman will be an independent director; c. provide for shareholders to have rights to act by written consent and to call shareholders meetings at the 10% level; d. provide EEO-1 data for the WRK workforce; e. establish a process for consideration of women holding production or supervisory roles among the named executive officers; f. provide additional data on the percentage of fiber coming from certified forests; g. describe steps to improve the C rating by CDP; h. have the GHG emissions data verified by a third party; i. describe whether the use of lignite coal has ceased; j. provide additional disclosure regarding the use and treatment of water; k. provide additional detail on the audit of suppliers.
6. **Vistra Energy Corp. (ticker symbol: VST):** VST engages in the integrated power business in Texas. The Team sent a communication to the investor relations contacts addressing the following items: a. publish its Sustainability Report in accordance with GRI standards and increase disclosure regarding supplier due diligence (frequency and number of audits); employee information (EEO-1, safety/injury metrics) and GHG emissions data; b. participate in the CDP; c. provide for shareholders to act by written consent and to call special meetings based upon a 10% standard; d. declassify the board; e. greater environmental disclosure regarding coal mining, environmental standards compliance and emission control technology.
7. **JPMorgan Chase & Co. (ticker symbol: JPM):** JPM is a large, money center bank. The Team met with several JPM representatives as part of JPM's shareholder engagement process, in particular, soliciting Boston Partners' opinion on the requirement for an independent chairman. The Team informed JPM that Boston Partners always supports an independent chairman requirement. The Team also informed JPM that it supports the right of shareholders to call special meetings and to act by written consent at the 10% shareholder level. The Team also informed JPM of Boston Partners' over-boarding criterion. The Team also noted Boston Partners' concern about the reputational risk associated with regulatory violations and discussed with JPM its compliance processes to avoid further regulatory breaches. The JPM representatives informed the Team that the Boston Partners' opinions would be communicated to the Board.
8. **McKesson Corporation (ticker symbol: MCK):** MCK provides pharmaceuticals and medical supplies. The Team met with several representatives of MCK as part of MCK's winter shareholder engagement program. MCK began by noting that it was separating the roles of Chairman and CEO and that the new Chairman would be an independent director. The Team complimented MCK on that decision. The Team discussed the background of the new CEO Brian Tyler as Tyler was in charge of certain units involved in opioid regulatory violations. MCK agreed to provide additional information regarding MCK's position on the DOJ and DEA claims. The Team also provided feedback to MCK regarding its special incentive compensation program for 3 named executive officers. The Team also asked for a description of the compliance team responsible for opioid regulatory compliance. The Team addressed Boston Partners' positions on MCK's most recent proxy and asked for additional details on the MCK supplier oversight program.

Proxy Voting:

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

1. **Symantec Corp.** Against the election of one director candidate for over-boarding and against approval of the omnibus stock plan because the burn rate was excessive.

Boston Partners voted the following number of proxies:

Number of meetings: 21

Number of issues: 126

Disclosure

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