

# Sustainability and Engagement at Boston Partners

## Engagement Report

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The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions in February 2019:

### **Issuer Calls, Meetings and Correspondence.**

1. **KeyCorp (ticker symbol KEY):** KeyCorp is a bank holding company. The Team spoke with KEY’s lead independent director, the Deputy General Counsel and the IR representative as part of KEY’s shareholder outreach, particularly relating to its executive compensation program. The Team requested KEY to change the by-laws to require an independent Board Chairman and described Boston Partners’ position to vote against directors that served on more than 3 public company boards. The Team also discussed the upcoming proposal to amend the by-laws to allow the directors to amend the by-laws without shareholder approval. The intention is for the directors to then amend the by-laws to allow greater shareholder access. The Team discussed the implications of such a change for shareholders.
  2. **SL Green Realty Corp (ticker symbol SLG):** SLG is New York City’s largest office landlord and a fully integrated real estate investment trust. The Team spoke with SLG’s President, its Compensation Committee Chair and the General Counsel as part of SLG’s shareholder outreach program, particularly regarding SLG’s compensation programs. The Team asked SLG about its turnover rate and negative reviews on Glassdoor. SLG’s President agreed to look into the Glassdoor comments and provide the employee turnover ratio. SLG noted that the previous year’s say on pay proposal approval rate had been low and it had made changes to the compensation programs for executive officers to accommodate shareholder feedback. SLG informed the Team that it was declassifying its Board of Directors and shareholders were now able to amend SLG’s by-laws. The Team asked SLG to require an independent Board Chairman. The Team also inquired about SLG’s compliance team to ensure that there was a sufficient structure to accommodate the heavily regulated NY City real estate industry.
  3. **Target Corporation (ticker symbol TGT):** TGT operates as a general merchandise retailer in the United States. The Team corresponded with TGT following the Team’s research analysis on TGT. The Team asked TGT to adopt an independent Board Chairman requirement, to provide insight as to TGT’s low CDP scores and to describe TGT’s compliance structure, in particular, for waste management following repeated hazardous waste disposal charges in California.
  4. **Twenty-First Century Fox, Inc. (ticker symbol FOXA):** FOXA, also known as 21CF, is a diversified media and entertainment company. FOXA is in the process of selling a significant portion of its entertainment business to Disney. The Team corresponded with FOXA following the Team’s research analysis on FOXA. The Team requested the Board require an independent Board Chairman and to increase the independence and the diversity of directors
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as well as to reduce over-boarding by directors. The Team requested that shareholders be given the right to act by written consent and to call shareholder meetings based upon the request of shareholders holding a minimum of 10% of the shares outstanding. The Team also requested the elimination of the dual share class capital structure, the publication of a sustainability report in accordance with the GRI standards, and the disclosure of EEO-1 data. The Team also requested more information regarding FOXA's compliance structure to prevent hostile work environment claims.

5. **Walgreens Boots Alliance, Inc. (ticker symbol WBA):** WBA operates as a pharmacy-led health and well being company. The Team had a lengthy discussion with the Global Head of WBA compliance in response to concerns the Team had about recent regulatory actions regarding WBA's retail stores in the US. The Team discussed its concerns about adequate compliance staffing and retail store oversight.
6. **Hewlett Packard Enterprise Company (ticker symbol HPE):** HPE is a global technology company. The Team spoke with HPE's Chair of the Board of Directors, General Counsel, and other executives as part of the company's winter shareholder engagement efforts. HPE is expecting a shareholder proposal calling for the right to act by written consent. The Team communicated that it would support the proposal. HPE discussed its compensation structure, sustainability program, career development initiatives, and efforts to increase diversity. The Team asked about HPE's supplier due diligence, and HPE briefly described its supplier responsibility program.
7. **Nomad Foods Limited (ticker symbol NOMD):** NOMD is a leading frozen foods company in Europe. The Team corresponded with NOMD following the Team's research analysis on NOMD. The Team encouraged NOMD to incorporate a GRI index in future sustainability reports and to participate in the CDP. The Team requested shareholders be given the right to act by written consent and the right to call special meetings at a 10% threshold. The Team also inquired about NOMD's animal protein policy and approach to responsible sourcing, as well as NOMD's efforts to use sustainable packaging.

### Proxy Voting:

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

1. **Newfield Exploration Co.:** Against an advisory vote on golden parachutes because of the continued use of single trigger conditions to the receipt of incentive payments.
2. **Model N, Inc.:** Against a proposal to ratify the named executive officers' compensation because the company had awarded a fully vested stock grant to the interim CEO.
3. **Amerisource Bergan Corp.:** In favor of a proposal to allow shareholders to act by written consent and in favor of a proposal that would prevent management from excluding compliance and litigation costs in determining incentive compensation metrics.
4. **Novartis AG:** Against the reelection of Srikant Datar as a Director and Member of the Compensation Committee because Mr. Datar is a member of more than 3 public company boards.

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

Number of meetings: 23

Number of issues: 277

### 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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