

Sustainability and Engagement at Boston Partners

Engagement Report

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

Issuer Calls, Meetings and Correspondence.

1. **East West Bancorp Inc. (ticker symbol EWBC):** EWBC is a bank holding company whose principal subsidiary is East West Bank that provides banking services in the United States and China. The Team met with the Chairman of EWBC’s Compensation Committee to discuss EWBC’s executive compensation programs. The Team requested that EWBC have an independent director as Chairman and prepare a corporate responsibility report (“CRR”) in accordance with GRI standards. The EWBC director informed the Team that the General Counsel had been tasked with preparing a CRR with the potential for publication this year and that he would relay the concerns about an executive chairman to the rest of the EWBC Directors. The EWBC representative also informed the Team that they were looking for a third female to join the Board of Directors.
 2. **Apergy Corporation (ticker symbol APY):** APY provides equipment and technologies for drilling and producing oil and gas. The Team emailed APY’s principal contact following the Team’s review of APY. The Team requested that APY prepare a CRR in accordance with GRI standards and participate in the CDP, including reporting on GHG emissions, EEO-1 type diversity data and the number of substantiated whistleblower reports received annually. The Team encouraged the Board to seek an additional female director to augment the one current female director and to provide additional information regarding its supplier oversight process. Finally, the Team asked APY to disclose its environmental goals and the long-term potential for energy source transition.
 3. **Graphic Packaging Holding Company (ticker symbol GPK):** GPK provides primarily paper-based packaging solutions to food, beverage, foodservice and other consumer products companies. The Team had a call with the VP of Government Affairs & Sustainability following an engagement email sent to GPK’s principal contact in January. GPK highlighted its use of a tool that tracks various metrics such as energy use and water consumption. GPK also provided further detail about the scope of its plastics segment, explaining it comprises less than 10% of the business. Additionally, GPK briefly described its supplier due diligence program.
 4. **Hewlett Packard Enterprises Company (ticker symbol HPE):** HPE is a technology company providing servers, storage solutions and networking products. HPE reached out to the Team to ask Boston Partners to consider opposing a shareholder proposal to allow shareholders to act by written consent. The Team informed HPE representatives that the ability to act by written consent is an important shareholder right and that Boston Partners would be supporting the proposal.
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5. **Synnex Corporation (ticker symbol SNX):** SNX provides global business process services. SNX representatives reached out to the Team to discuss Boston Partners' intention to vote against the reelection of two SNX Directors. SNX noted Boston Partners' position that directors should serve on no more than 3 public company boards, but SNX felt that the time requirements for these two directors was limited as two of the companies were related to SNX. The Team informed the SNX representatives that, even if the entities were related to SNX, they were still public companies with unaffiliated public shareholders. The Team also discussed with SNX the lack of substantial disclosure regarding various ESG categories and SNX representatives acknowledged that and said the SNX Corporate Social Responsibility Committee was addressing this issue.
6. **HP Inc. (ticker symbol HPQ):** HPQ provides personal computing devices and printers and related technologies. HPQ representatives reached out to the Team to discuss the 2019 proxy. The Team noted that it had met with HPQ board members recently and had informed them that Boston Partners would support a shareholder proposal to require an independent board chairman.
7. **Everest Re Group Ltd (ticker symbol RE):** RE provides insurance and reinsurance products. The Team met with representatives of RE as part of RE's shareholder engagement program. RE discussed its financial performance and some changes to its compensation plans, particularly in response to comments from ISS. RE noted that it was seeking to add an additional female director. The Team and RE engaged in a lengthy discussion about the type of sustainability disclosure shareholders wanted to see. The Team discussed the typical provisions of a CRR and the issues about which the Team was most concerned. RE took note of the information and indicated that some type of CRR or greater sustainability disclosure would be forthcoming.
8. **Melco Resorts & Entertainment Limited (ticker symbol MLCO):** MLCO engages in the leisure and entertainment business, particularly Macau casinos. The Team emailed MLCO representatives following a review of the company. The Team requested that MLCO require an independent Chairman, to declassify the Board and to increase women as Directors and members of senior management. The Team also asked that MLCO increase the disclosure in its CRR to include supplier oversight and the employee injury rate and to participate in the CDP.
9. **United Technologies Corporation (ticker symbol UTX):** UTX provides technology products and services to building systems and aerospace industries. The Team spoke with UTX representatives as part of the UTX shareholder engagement program. UTX described its compensation structure and noted that there were no shareholder proposals for its annual meeting in 2019. The Team noted that the Chairman was also the CEO and requested that UTX require an independent Chairman. The Team also asked for additional information regarding UTX's compliance staff and processes following the allegations of the payment of kickbacks in China.

Proxy Voting:

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

1. **Apple Inc.:** Against two Directors because they are members of more than 3 public company boards and in favor of certain proxy access amendments which enhance the rights of shareholders.
2. **Ulker Biskuvi Sanayi AS:** Against the ratification of external auditors as the name of the proposed auditor was not disclosed and against approving an upper limit on donations as the upper limit was not disclosed.
3. **Berry Global Group, Inc.:** Against the election of Robert A. Steele as a Director because he is a member of more than 3 public company boards. Against the say-on-pay frequency provision because it does not provide for an annual say-on-pay vote. In favor of a proposal to amend the by-laws to allow shareholders to call a special meeting.
4. **The Walt Disney Co.:** Against the ratification of the Named Executive Officers' Compensation because of the terms of the award of an equity grant to the CEO and the total amount of compensation payable to the CEO.

5. **Commercial International Bank (Egypt) SAE:** Against a proposal to increase the authorized share capital because it is excessive. Against a proposal to amend certain parts of the by-laws because of lack of sufficient disclosure regarding the changes. Against a proposal to approve certain charitable donations because of lack of sufficient disclosure. Against the approval of the remuneration for certain committee members because of the lack of sufficient disclosure and against the approval of certain related party transactions because of the lack of sufficient disclosure.
6. **Tribune Media Co.:** Against a proposal on golden parachutes because of excessive vesting upon the occurrence of a change in control.
7. **TE Connectivity Ltd.:** Against the election of 3 directors, including one as a member of the compensation committee, because each nominee serves on more than 3 public company boards.
8. **Samsung Electronics Co., Ltd.:** Against the nomination of a Director because of concerns about lack of sufficient action on behalf of shareholders to discipline a Board member who was convicted on corruption charges.
9. **Novo Nordisk A/S:** Against the creation of a pool of capital for the benefit of employees because of the design of performance and vesting periods that do not align with the interests of shareholders.
10. **Hyundai Mobis Co. Ltd.:** Against the amendment of the articles of incorporation that would increase the size of the Board from 9 to 11 members and in favor of two shareholder nominees for Director in order to counterbalance the control over the company of the founding family.
11. **Industrial Bank of Korea:** Against certain proposals regarding the compensation of Directors because of the increase in the remuneration limit without any reasonable justification.
12. **TIM Participacoes SA:** Against certain proposals that would provide for cumulative voting. Against a blanket proposal to allow changes to the management slate of directors because of lack of disclosure regarding the changes.
13. **Cemex SAB de CV:** Against the slate of Directors because three members of the slate serve on more than 3 public company boards and against a proposal to change the company's by-laws because certain of the changes reduce the protection for shareholders.
14. **Ecopetrol SA:** Against proposals to amend the by-laws because the amendments would allow for additional conflicts of interest that would be detrimental to the interests of shareholders.

Boston Partners voted the following number of proxies:

Number of meetings: 48

Number of issues: 482

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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