

ESG Policy/Description of Sustainability/ESG Process

Boston Partners is a signatory to the United Nations Principles for Responsible Investment. Boston Partners' investment process has always stressed investment in companies with good fundamental characteristics, including sustainability, environmental, social and governance factors.

Quantitative Screening:

The initial step in the investment process is a quantitative screening of the investment universe based on a number of factors. Inputs to our scoring models include certain ESG/Sustainability considerations. Proprietary ESG/Sustainability considerations include:

1. **Capital Acquisition and Efficiency** which tries to capture the degree to which the company sustainably manages resource utilization and supply chain management;
2. **Management Signaling** which indicates governance practices surrounding disclosure, stakeholder engagement and shareholder welfare; and
3. **Sustainable Growth** which measure how efficiently management uses internal resources to minimize its environmental footprint and reduce dependence on and absorption of external resources.

Fundamental Research/Sustainability and Engagement Team.

The next step in the investment process is an in-depth review by the fundamental analyst team of each of the companies generated by the quantitative screening process. From various sources, the fundamental analysts have ESG research available to them to consider as part of their research process. In addition, the Sustainability and Engagement Team provides to the fundamental analyst team an in-depth review of the ESG/Sustainability issues for those companies that have adverse scores on various ESG/Sustainability metrics as produced by several well-known organizations including Robeco SAM AG, Boston Partners affiliate and a leader in the ESG/Sustainability field. The fundamental analyst team considers the information produced by the ESG/Sustainability team in determining their recommendation on a company and uses such information for further dialogue with the company's representatives at investor meetings.

The goal of ESG research at Boston Partners is to ensure that issuers in which client portfolios are invested do not engage in conduct that a reasonable person would consider unethical, environmentally harmful or materially contrary to the interests of shareholders.

We undertake original research into issuers looking at issuer documents such as the annual report and corporate responsibility report and any other disclosures as well as an extensive search for any reports or stories about the issuer regarding anything ESG related, for example, any fines or litigation imposed within the preceding few years. Ultimately, we want to see companies have the following:

1. **Corporate Responsibility Report.** The issuer should have an annual corporate responsibility report that meets a recognized reporting format, preferably the G-4

guidelines. The report should address the following: a. climate change policy; b. greenhouse gas emissions reduction policy and disclosure of GHG emissions measurement; c. corporate governance; d. supply chain management.

2. **Supply Chain Management Policy.** The issuer should have a policy on supply chain management that requires each supplier to adhere to certain standards including no child or forced labor; environmental preservation; reasonable work hours; product quality/product contamination; conflict minerals. The supply chain management policy should include some type of periodic audit or the suppliers for compliance with the terms imposed on the suppliers by the policy.
3. **Carbon Disclosure Project.** The issuer should be a participant in the carbon disclosure project, disclosing its carbon usage in accordance with the CDP requirements.
4. **Corporate Governance.** The issuer should have a code of ethics addressing issues such as bribery and relations with governmental clients and other conflicts of interest. The issuer should also have an independent chairman and should provide shareholders with the right to call special meetings or to act by consent based upon the request of 10% of the shareholders.
5. **Absence of litigation/regulatory actions.** The issuer should not be subject to any material litigation involving any of the ESG considerations currently or within the last 3 years and the issuer should not have been subject to any material fines or other regulatory proceedings within the past 3 years.

An issuer's failure to have any of the 5 items will not necessarily result in a negative recommendation; however, such failure would be the basis for a recommendation for improvement that generally would be conveyed to the issuer.

Engagement

In addition to the dialogue between the fundamental analyst team and the companies as described above, the Sustainability and Engagement Team will work with the fundamental analysts to correspond formally with companies regarding ESG/Sustainability issues that Boston Partners believes are important to our clients. Boston Partners votes proxies for most of its clients and incorporates an ESG/Sustainability consideration into its proxy decisions. In addition, Boston Partners will address directly with company management Boston Partners' views on proxy issues where Boston Partners does not support a management position as well as on other ESG matters where Boston Partners considers the issuer deficient.

Best Interests of Our Clients.

Every part of our investment process, including ESG/Sustainability considerations, is executed solely in the best interests of our clients.