

# Sustainability and Engagement at Boston Partners

## Engagement Improvers Report

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The Sustainability and Engagement Team (the “Team”) identified the following issuers that made significant ESG improvements consistent with the Team’s suggestions from previous engagement(s):

1. **Everest Re Group, Ltd. (ticker symbol RE):** RE provides reinsurance and insurance products in the U.S., Bermuda, and internationally. RE reached out to the Team as part of its shareholder outreach program to discuss sustainability. RE mentioned that our original engagement in 2019 led to RE launching ESG disclosures. In 2022, RE will publish its 2<sup>nd</sup> formal Sustainability Report in accordance with GRI, SASB, and TCFD standards. Additionally, as a result of our last engagement call, RE published EEO-1 diversity data and provided disclosure of employee development programs in its 2020 ESG supplement.
  2. **Frontdoor, Inc. (ticker symbol FTDR):** FTDR is a provider of home service plans in the U.S. FTDR reached out to the Team as part of its shareholder outreach program to discuss sustainability. FTDR has only been a public company for 3 years. FTDR recently published its inaugural Sustainability Report in accordance with SASB and TCFD standards. Additionally, FTDR improved Board diversity and eliminated the supermajority vote requirement.
  3. **Textron, Inc. (ticker symbol TXT):** TXT is an industrial manufacturer that produces various vehicles for military and civilian markets. TXT and the Team have had multiple engagement calls to discuss sustainability. In our most recent engagement, TXT noted plans to include TCFD and SASB alignment for its 2021 report, its plans to align with the 1.5 degree warming scenario, and its Boards oversight of ESG matters. Following the engagement, the Team conducted a review on TXT’s updated 2020 CSR Report. TXT made additional improvements such as highlighting products’ technological advancements that are helping to reduce emissions and increase safety, creating mitigation plans to address physical climate related risks, and improving supplier oversight with an updated Supplier Code of Conduct and Conflict Minerals Report.
  4. **BWX Technologies, Inc. (ticker symbol BWXT):** BWXT is a supplier of nuclear components and fuel to the U.S. BWXT started its ESG disclosure with a corporate citizenship page on its website. The Team engaged with BWXT in January 2021 and recommended BWXT discuss GHG emissions and climate change in the upcoming sustainability report. In 2021, BWXT published its first sustainability report which included scope 2 GHG emissions, energy, waste, and water usage information. BWXT plans to publish its 2022 sustainability report with a SASB index and is looking to include scope 1 GHG emissions and provide further information about the effect its products have to its business, specifically the clean energy benefits of nuclear and eliminating coal. The Team asked if BWXT had considered disclosing whistleblower statistics and BWXT noted they will be including this information in the upcoming
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sustainability report. The Team noted BWXT has various professional development opportunities for employees but encouraged BWXT to provide training data to reflect the use of professional development offerings by employees. BWXT noted they track this information already and would consider including it in future sustainability reports.

5. **McKesson Corporation (ticker symbol MCK):** MCK distributes pharmaceuticals and provides health information technology, medical suppliers, and care management tools. The Team recommended adopting SBTs in the December 2020 engagement and in the February 2022 engagement MCK noted they submitted targets last month for verification by the SBTi. MCK hopes to release SBTs in FY23 and will address scopes 1, 2, and 3 emissions to be in line with the 1.5-degree scenario.
6. **Electronic Arts, Inc. (ticker symbol EA):** EA is a video game company. The Team updated its review on EA following the release of its 2021 Impact Report. Previously, the Team had engaged with EA to improve disclosure of employee diversity, training, and safety information, to share environmental data and targets, and improve supplier oversight. The Team also recommended that EA consider aligning their reporting with SASB and TCFD frameworks. EA's 2021 Impact Report greatly improved by aligning with SASB, disclosing diversity and training information, disclosing energy, water, and waste data, and providing some supplier oversight information. EA has further plans to implement TCFD alignment, which should improve GHG emissions disclosure, target setting, and climate risk considerations.
7. **Regions Financial Corporation (ticker symbol RF):** RF provides retail and commercial banking, trust, brokerage, and mortgage services. The Team began engaging with RF in 2018 following an ESG review of RF. Most recently, RF has improved its ESG profile with the addition of a standalone TCFD Report and with STBi alignment of its emissions reduction targets. Additionally, RF has become a significant lender to solar installations, renewable energy projects, and forest management. Other improvements RF has made since 2018 include SASB alignment, disclosure of diversity data, and electing an independent Chairman.
8. **Lear Corporation (ticker LEA):** LEA is an automotive seating and electric systems manufacturer. The Team began engaging with LEA in July of 2019 following an ESG review of LEA. The Team encouraged LEA to adopt a sustainability reporting standard. LEA's 2020 sustainability report was prepared in accordance with GRI, SASB, and TCFD frameworks. The Team encouraged LEA to disclose supplier due diligence data. LEA began implementing a supplier due diligence program in 2021. The Team encouraged LEA to disclose its workforce diversity data and employee training hours during our engagement. LEA included both in its 2020 sustainability report. The Team also encouraged LEA to disclose whistleblower statistics. LEA has progressed by reporting the number of claims filed in 2020 but does not yet disclose the number of claims substantiated or any corrective actions taken. Finally, the Team encouraged LEA to increase its Board diversity. Since our engagement, LEA has added a third female director to its Board.

## Disclosure

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