

Sustainability and Engagement at Boston Partners

Engagement Report

The Sustainability and Engagement Team (the “Team”) undertook the following engagement actions during July 2024:

Calls, Meetings, and Correspondence with Issuers:

The Team engaged with the below issuers following research on the company.

- 1. First Merchants Corporation (ticker symbol FRME):** FRME provides community banking services. The Team emailed FRME following research and encouraged FRME to publish a complete sustainability report in accordance with GRI or SASB standards. FRME noted they will share our feedback with the Board as they begin working on the 2024 report.
 - 2. Arthur J. Gallagher & Co. (ticker symbol AJG):** AJG provides insurance and reinsurance brokerage, consulting, and third-party property/casualty claims settlement and administration services. The Team emailed AJG following research and encouraged AJG to adopt an independent Chair, to provide shareholders the right to call special meetings based upon the request of at least 10% of shareholders and to provide shareholders right to act by the written consent of the number of shareholders that could act at a meeting, to disclose whistle blower claims/code of ethics violations and their resolution annually, and to disclose data to back up the use of professional development programs by employees. The Team asked what the progress is against the goal for the UK business to use 100% renewable energy in its offices by 2030 and by 2025 to eliminate gas powered vehicles from its fleet and what the anticipated cost is to meet the goals. The Team also asked if AJG can share the 2023 CDP response.
 - 3. Broadwind, Inc. (ticker symbol BWEN):** BWEN manufactures and sells structures, equipment, and components for clean tech and other specialized applications. The Team emailed BWEN following research and encouraged BWEN to publish a sustainability report in accordance with GRI and SASB standards.
 - 4. Lennar Corporation (ticker symbol LEN):** LEN operates as a homebuilder. The Team emailed LEN following research and encouraged LEN to adopt an independent Chair, to eliminate the dual class share structure with unequal voting rights, to disclose whistleblower claims/code of ethics violations and their resolution annually, to disclose diversity statistics including the percentage of women and racial/ethnic minorities in its workforce and management, to disclose data to back up the use of professional development programs by employees, and the number of supplier audits, the scope of the audits and audit findings.
 - 5. Karat Packaging, Inc. (ticker symbol KRT):** KRT makes environmentally friendly take-out packaging. The Team emailed KRT following research noting the lack of any sustainability disclosure and encouraged KRT to provide a
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sustainability report, to disclose whistleblower claim/code of ethics violation statistics and to investigate why Indeed reviews were so low.

6. **Taylor Morrison Homes Corporation (ticker symbol TMHC):** TMHC is a home builder. The Team encouraged TMHC to disclose additional information about environmental goals, the use of renewable energy, supplier oversight and whistleblower statistics.
7. **Parker-Hannifin Corporation (ticker symbol PH):** PH manufactures and sells motion and control technologies and systems for various mobile, industrial, and aerospace markets worldwide. The Team emailed PH following research. The Team encouraged PH to adopt an independent Chair, disclose whistleblower statistics, and report supplier audit data.
8. **RCM Technologies, Inc. (ticker symbol RCMT):** RCMT provides business and technology solutions. The Team emailed RCMT following research and encouraged RCMT to publish a sustainability report in accordance with GRI or SASB standards. The Team also encouraged RCMT to adopt an independent Chair.
9. **Belden, Inc. (ticker symbol BDC):** BDC designs, manufactures, and markets a portfolio of signal transmission solutions for mission critical applications. The Team emailed BDC following research and encouraged BDC to disclose results of supplier audits and any corrective actions taken and to disclose climate change risks and opportunities in accordance with TCFD or CDP.
10. **Weatherford International Plc (ticker symbol WFRD):** WFRD is an energy services company that provides equipment and services for the drilling, evaluation, completion, production, and intervention of oil, geothermal, and natural gas wells worldwide. The Team emailed WFRD following research and asked how much revenue is from new energy products including geothermal, carbon capture and storage, and plug and abandonment solutions. The Team also asked WFRD to share the 2023 CDP climate change response and encouraged WFRD to disclose the results of the supplier due diligence assessments and any corrective actions taken.
11. **Lululemon Athletica Inc. (ticker symbol LULU):** LULU designs, distributes, and retails athletic apparel, footwear, and accessories. The Team emailed LULU following research and encouraged LULU to eliminate the classified Board structure.
12. **Eldorado Gold Corporation (ticker symbol EGO):** EGO is a gold mining company. The Team emailed EGO following research. The Team noted that EGO failed to achieve its TRIFR target in 2023 and asked how EGO plans to reduce TRIFR going forward. EGO responded and highlighted the three pillars of its health and safety strategy: high potential risk control, positive culture development, and occupational health and hygiene. EGO believes that its health and safety strategy will lead to improvements in safety rates including TRIFR. EGO noted that TRIFR has improved for five consecutive years.
13. **Ero Copper Corp. (ticker symbol ERO):** ERO engages in the exploration, development, and production of mining projects. The Team emailed ERO following research and encouraged ERO to disclose results of supplier audits and any corrective actions taken, disclose whistleblower statistics, and to disclose data to back up the use of professional development programs by employees.
14. **Olin Corporation (ticker symbol OLN):** OLN manufactures and distributes chemical products. The Team emailed OLN following research and encouraged OLN to align its sustainability report with GRI or SASB standards, to provide training usage data, and to conduct and report on supplier audits.
15. **Titan Machinery, Inc. (ticker symbol TITN):** TITN owns and operates a network of full service agricultural and construction equipment stores. The Team emailed TITN following research and encouraged TITN to adopt an independent Chair, to eliminate the classified Board structure, to disclose whistleblower statistics, and to align its sustainability reporting with a recognized framework such as GRI and SASB. The Team also asked how TITN ensures CNH Industrial, their main supplier, has no connections to forced labor issues.

- 16. Academy Sports and Outdoors, Inc. (ticker symbol ASO):** ASO operates as a sporting goods and outdoor recreational retailer. The Team emailed ASO following research and encouraged ASO to eliminate the classified Board structure, to disclose data to back up the use of professional development programs by employees, and to disclose the number of suppliers audited annually.
- 17. Life Healthcare Group Holdings Ltd. (ticker symbol LHC-ZA):** LHC-ZA is an investment company, which operates hospitals through its subsidiaries. The Team emailed LHC-ZA following research and encouraged LHC-ZA to disclose a description of its professional development programs offered to employees, asked if the supplier questionnaire includes a review of forced labor, if LHC-ZA could share the CDP response with us, and asked if LHC-ZA is looking into cleaner alternatives to diesel generators. LHC-ZA responded and provided some management development/professional development data. LHC-ZA also noted the review includes good governance, transformation (preferential procurement), labor practices, human rights practices, supplier code of conduct, business ethics, sustainability (environment) and occupational health and safety practices. LHC-ZA attached its 2023 CDP responses and LHC-ZA noted the generator redundancy design is based on R158 Healthcare Regulations in South Africa (SA). LHC-ZA is exploring the possibility of integrating solar systems with generators which will reduce diesel consumption and generator loads during power outages. LHC-ZA is also planning more solar projects roll outs across SA. Over and above renewable energy projects, LHC-ZA is in the planning phase of a number of energy efficiency projects.
- 18. Atmus Filtration Technologies, Inc. (ticker symbol ATMU):** ATMU designs, manufactures, and sells filtration products. The Team emailed ATMU following research. The Team encouraged ATMU to eliminate the classified Board structure and publish a sustainability report in accordance with GRI or SASB standards.
- 19. Sandstorm Gold Ltd. (ticker symbol SSL-CA):** SSL-CA operates as a gold royalty company. The Team emailed SSL-CA following research. The Team noticed in 2021, SSL-CA became the first royalty company with a credit facility linked to sustainability goals. The ESG revolving loan incorporates sustainability-linked incentive pricing terms that allow SSL-CA to reduce the borrowing costs as certain sustainability performance targets are met. The performance targets are to be met by 2024 and as of the end of 2023, SSL-CA has met all performance targets. The Team asked if SSL-CA fails to achieve certain sustainability performance targets, will the borrowing costs for the sustainability-linked loan increase and also what is the total expected financial effect in a best-case scenario assuming SSL-CA meets all performance targets. SSL-CA responded to our email and noted since SSL-CA implemented ESG goals into the RCF in 2021, they have met the ESG performance goals each year, and expect to do so going forward. The interest rate on the RCF is subject to SOFR plus a variable portion between 1.875–3.5%, which is based on SSL-CA's leverage ratio. If SSL-CA meets its ESG goals, SSL-CA's borrowing costs are reduced up to five basis points, which is adjusted annually if SSL-CA has met the goals for the previous year. As of June 30, 2024, SSL-CA's balance on its RCF was US\$388 million.
- 20. AZZ Inc. (ticker symbol AZZ):** AZZ provides metal coating solutions. The Team emailed AZZ following research and encouraged AZZ to report supplier audit data.
- 21. Guess, Inc. (ticker symbol GES):** GES designs, markets, distributes, and licenses lifestyle collections of apparel and accessories for men, women, and children. The Team emailed GES following research. The Team asked GES about the ongoing investigation into the allegations of Uighur forced labor in its supply chain. The Team also asked how GES ensures that its suppliers are not using Uighur labor.
- 22. Ituran Location & Control Ltd. (ticker symbol ITRN):** ITRN develops, manufactures, and markets a full suite of innovative hardware and software solutions addressing fleet management, stolen vehicle recovery, car connectivity, and performance-based insurance needs. The Team emailed ITRN following research and encouraged ITRN to increase the number of women directors on the Board, to increase the number of independent directors on the Board, to publish a sustainability report in accordance with GRI and SASB standards, and to remove the classified Board structure.

23. **Genius Sports Limited (ticker symbol GENI):** GENI engages in the development and sale of technology-led products and services to the sports, sports betting, and sports media industries. The Team emailed GENI following research and encouraged GENI to eliminate the classified Board structure and publish a sustainability report in accordance with GRI or SASB standards.
24. **IES Holdings, Inc. (ticker symbol IESC):** IESC engages in the design and installation of integrated electrical and technology systems and provides infrastructure products and services. The Team emailed IESC following research and encouraged IESC to publish a sustainability report in accordance with GRI and SASB standards and to adopt an independent Chair. A call was set up in response to our suggestions. IESC noted they are not currently working on a sustainability report, but they will relay our feedback. The Team asked if there are any racial/ethnic minorities on the Board and IESC noted they will check and get back to the Team. On the independent Chair suggestion, IESC noted since Jeffrey L. Gendell, CEO and Chair, holds 57.03% of shares and they do not believe that will change to an independent outsider anytime soon.
25. **Huafo Chemical Co., Ltd. (ticker symbol BD5M08):** BD5M08 produces and sells spandex in China. The Team emailed BD5M08 following research and encouraged BD5M08 to align its sustainability report with GRI or SASB standards. The Team also asked how BD5M08 ensures that its suppliers are not using Uighur labor.
26. **Starbucks Corporation (ticker symbol SBUX):** SBUX operates as a roaster, marketer, and retailer of coffee worldwide. The Team emailed SBUX following research and asked SBUX how they respond to the allegations that they are knowingly sourcing from suppliers with documented, severe human rights and labor abuses.
27. **Magnite, Inc. (ticker symbol MGNI):** MGNI operates an independent omni-channel sell-side advertising platform. The Team emailed MGNI following research and encouraged MGNI to publish a complete sustainability report. The Team also encouraged MGNI to eliminate the classified Board structure and adopt an independent Chair.
28. **Matthews International Corp. (ticker symbol MATW):** MATW is a global provider of brand solutions, memorialization products and industrial technologies. The Team emailed MATW following research and suggested MATW remove the classified Board structure and asked if MATW plans on updating its sustainability related disclosures.
29. **California Resources Corporation (ticker symbol CRC):** CRC operates as an independent oil and natural gas exploration and production, and carbon management company. The Team emailed CRC following research. The Team asked how CRC plans to achieve net zero emissions by 2045 and how much it will cost.
30. **W.R. Berkley Corporation (ticker symbol WRB):** WRB is an insurance holding company. The Team emailed WRB following research and encouraged WRB to adopt an independent Chair, remove the classified Board structure, describe its supplier oversight program and report additional environmental metrics relating to energy, renewables, water, and waste.
31. **Oshkosh Corporation (ticker symbol OSK):** OSK provides purpose-built vehicles and equipment worldwide. The Team emailed OSK following research and encouraged OSK to report supplier audit data.
32. **Blade Air Mobility, Inc. (ticker symbol BLDE):** BLDE provides air transportation alternatives. The Team emailed BLDE following research and encouraged BLDE to publish a sustainability report in accordance with GRI or SASB standards. The Team also encouraged BLDE to eliminate the classified Board structure.
33. **Centerspace (ticker symbol CSR):** CSR is a REIT focused on the ownership, management, acquisition, redevelopment, and development of apartment communities. The Team emailed CSR following research and encouraged CSR to disclose climate change risks and opportunities in accordance with TCFD or CDP, to disclose whistleblower statistics, and to disclose the number of suppliers audited annually. The Team also asked CSR if it plans to use renewable energy in operations in the coming years.

34. **Bajaj Auto Limited (ticker symbol 532977-IN):** 532977-IN gages in the development, manufacture, and distribution of automobiles. The Team emailed 532977-IN following research and encouraged 532977-IN to adopt an independent Chair, to publish a sustainability report in accordance with GRI or SASB, to provide year-over-year safety rates, and to disclose climate risks and opportunities in accordance with TCFD or CDP.
35. **Legacy Housing Corporation (ticker symbol LEGH):** LEGH engages in the building, sale, and financing of manufactured homes and tiny houses. The Team emailed LEGH following research and encouraged LEGH to publish a sustainability report in accordance with GRI or SASB, to provide safety rates, and to disclose the number of suppliers audited annually. The Team also encouraged LEGH to disclose whistleblower statistics, to disclose environmental data annually and to disclose climate risks and opportunities in accordance with TCFD or CDP.
36. **Noble Corporation (ticker symbol NE):** NE operates as an offshore drilling contractor for the oil and gas industry. The Team emailed NE following research and encouraged NE to disclose training statistics, to provide full workforce diversity data, and to disclose the number of suppliers audited annually.
37. **ZyduS LifeSciences Limited (ticker symbol 532321-IN):** 532321-IN engages in the research, development, production, marketing, distribution, and sale of pharmaceutical products. The Team emailed 532321-IN following research and encouraged 532321-IN to disclose climate risks and opportunities in accordance with TCFD or CDP.
38. **Talen Energy Corporation (ticker symbol TLN):** TLN is an energy producer. The Team inquired if TLN would produce a sustainability report.
39. **Reliance Inc. (ticker symbol RS):** RS is a processor of steel and aluminum. The Team encouraged RS to increase its disclosure by including environmental goals and a plan and cost to obtain them, diversity and training statistics, supplier oversight audits and whistleblower statistics.
40. **CareDx, Inc (ticker symbol CDNA):** CDNA provides organ transplant services. The Team encouraged CDNA to discuss environmental goals and the use of renewable energy and to allow shareholders to call special meetings and act by written consent. The Team also noted that Boston Partners will vote against directors because of the classified Board.
41. **Rev Group, Inc (ticker symbol REVG):** REVG makes specialty vehicles. The Team encouraged REVG to report environmental goals and a plan to attain those goals along with likely costs and to disclose the supplier oversight process including audits. The Team also informed REVG that it will vote against directors because of the classified Board.
42. **Ring Central Inc. (ticker symbol RNG):** RNG is a provider of AI-first cloud-based business communications and collaboration. The Team encouraged RNG to provide sustainability disclosure using a recognized reporting standard to eliminate reporting deficiencies such as supplier audits, whistleblower claims, training hours and programs and safety statistics and programs.
43. **Leon's Furniture Limited (ticker symbol LNF):** LNF sells furniture. The Team encouraged LNF to produce a sustainability report using a reporting standard to address disclosure deficiencies.
44. **Lear Corporation (ticker symbol LEA):** LEA manufactures and supplies automotive seating, and electrical distribution systems and related components for automotive OEMs. The Team noticed a four-year contract between United Autoworkers Union Local 282 and LEA expired after a month of failed negotiations. The Team asked what the financial is of the supply chain disruption with GM at the Wentzville plant and if LEA reached an agreement with the union. The Team also noticed in July 2023 Congress expanded an ethics probe to include LEA looking into LEA's supply chain, claiming its hide producers in Brazil are contributing to illegal deforestation in the Amazon, and that LEA's downstream suppliers are using slave labor to produce hides that go into thousands of cars sold on the U.S. market. A congressional committee asked LEA to provide a thorough account of where its leather comes from. The Team asked if LEA resolved the concerns Congress has with forced labor and deforestation in its supply chain. LEA responded and noted they negotiated in good faith with UAW Local 282 at the Wentzville facility. Unfortunately,

during those negotiations, a strike was initiated. On July 24th, LEA entered into a tentative agreement and production restarted the morning of July 25th. The financial impact can be limited if the lost production can be recovered. The potential negative impact was included in the revised guidance outlook communicated on the Q2 2024 Earnings call on Thursday, July 25th. In July of 2023, the Senate Finance Committee requested LEA to provide a response to certain questions related to supply chain within leather operations. LEA have since provided a full response to the committee on this topic. LEA works with suppliers that meet contractual requirements, including compliance with Supplier Sustainability, Human Rights and No Deforestation Policies. If a supplier violates policies or requirements, they investigate and respond accordingly, up to and including termination of contract.

45. **S&T Bancorp (ticker symbol STBA):** STBA is a regional bank in the Midwest. In June, the Team encouraged STBA to prepare its annual sustainability report using a recognized reporting standard and to include environmental statistics which were lacking. The Team also encouraged STBA to report whistleblower claims/code of ethics violations. STBA responded in July and STBA noted they published its first Corporate Responsibility Report in 2022 and, since then, have enhanced it each year. STBA has been monitoring the developments regarding SEC disclosure requirements related to climate change and will certainly comply with those rules as they become effective. As they navigate the complexities of those disclosures and the required assumptions and calculations, they will make every attempt to disclose relevant information in a timely manner as it becomes available. With regards to whistleblower claims and code of ethics violation statistics, they will strongly consider including administration and oversight information of these matters into the reporting next year.
46. **Procter & Gamble Company (ticker symbol PG):** PG provides branded consumer packaged goods worldwide. The Team emailed PG following research and asked when an updated sustainability report would be issued. The Team also reiterated our engagement points from last year related to Chair independence, whistleblower statistics, training disclosure, safety rates, supplier oversight, and collective bargaining agreements.
47. **MSC Industrial Direct Co., Inc. (ticker symbol MSM):** MSM distributes metalworking and maintenance, repair, and operations (MRO) products and services. The Team emailed MSM following research and encouraged MSM to adopt an independent Chair, to share the 2023 CDP climate change response, to disclose the results of the supplier assessments and any corrective actions taken and asked if there are any racial/ethnic minorities on the Board.
48. **Primoris Services Corporation (ticker symbol PRIM):** PRIM is a specialty contractor providing critical infrastructure services to the utility, energy/renewables, and pipeline services markets. The Team emailed PRIM following research and encouraged PRIM to adopt an independent Chair, to disclose complaints made on its whistleblower line, to provide full EEO-1 data, and to report employee training statistics. The Team also encouraged PRIM to publish a sustainability report in accordance with the GRI framework, to disclose the number of suppliers audited annually and asked if PRIM has screened its solar PV suppliers for Uighur forced labor.
49. **Kosmos Energy Ltd. (ticker symbol KOS):** KOS engages in the exploration, development, and production of oil and gas along the Atlantic Margins in the United States. The Team emailed KOS following research and noted we have the same suggestions from 2022 which include the elimination of the classified Board, disclose the number of whistleblower claims annually, appoint additional female executives, disclose the training hours taken by employees annually, and provide statistics about supplier oversight including audits and number of open measures of improvement.
50. **BNP Paribas (ticker symbol BNP-FR):** BNP-FR provides various banking and financial products and services. The Team emailed BNP-FR following research and asked for BNP-FR to provide its CDP climate change response.

The Team engaged with the below issuers following shareholder outreach by the company.

1. **Imerys S.A. (ticker symbol NK-FR):** NK-FR provides mineral-based specialty solutions for various industries worldwide. NK-FR reached out to the team to discuss their climate transition plan report and current investments in energy transition matters. The Team noted that in 2021, NK-FR became the first industrial minerals company to include a Sustainability-Linked Bond (SLB) in its financing strategy. NK-FR issued a second €500M SLB in 2023, with

specific performance targets set at a 32.7% absolute reduction in Scope 1 and 2 GHG emissions by the end of 2028 from our 2021 base year, consistent with the 2030 SBTi pathway. The Team asked if NK-FR fails to achieve certain sustainability performance targets, will the interest rate for the sustainability-linked bond increase and if so, what is the total expected financial effect in a worst-case scenario. NK-FR noted it will be a penalty in the form of a coupon step up. The SLB issued in Nov 2023, which includes a €500 billion bond with updated SBTi targets has a mechanism for the penalty that should they miss the target have a premium of 75 basis points. NK-FR noted it is not a penalty they want to pay but it's not going to cause reputable harm to NK-FR, but stings enough to make it an incentive to achieve the targets. If they meet the targets, they do not get anything as a reward besides a good reputation. NK-FR projects its evolution of its energy mix goes from 64% thermal fossil based to 45% by 2030. Part of this reduction will be substitution of coal with biomass waste and natural gas. NK-FR has invested €50M in energy efficiency and fuel switching projects since 2021. NK-FR plans to invest €20-25M per year in Scope 1 and 2 decarbonization projects for the 2024-2030 period. NK-FR does not have a net zero target yet because they want to see how they do with the 2030 targets first. NK-FR believes they are well positioned if they do decide to set a 2050 net zero goal.

2. **Ralph Lauren Corporation (ticker symbol RL):** RL designs, markets, and distributes lifestyle products. RL reached out to the Team for a shareholder engagement call to discuss director elections and their dual class structure. RL noted the dual class structure with unequal voting rights has been in place since RL was founded. Class A directors have one vote per share and can vote for three directors on the Board. Class B (Ralph Lauren) can vote on the remaining nine directors. Ralph Lauren (Executive Chair of the Board) controls 1.2% of Class A. Ralph Lauren controls 100% of Class B and overall has a combined voting power of 84.5%. RL noted the only way to remove the dual class structure is for Ralph Lauren to sell off Class B shares as they will automatically convert into Class A shares. RL noted the dual class share structure is working well for the company as it creates a unified vision, allows RL to be true to the founders core values, helps with stability and provides important protection from vulnerability, and Ralph Lauren has skin in the game with 38% equity in the company which is aligned with stockholders. RL noted three of three Class A directors are independent as are six of nine Class B directors. There is a lead independent director. The Team noted we are set to withhold votes from Darren Walker because he is a governance committee member and RL maintains a multiclass structure that is not subject to a reasonable time-based sunset provision. The Team communicated our preference as a minority shareholder to eliminate the dual class share structure and to have equal voting rights. RL noted Darren Walker received a plurality of FOR votes in 2023 but RL is nervous about the director's reputation if he keeps getting low support and are concerned this will affect recruiting other directors in the future. RL wants to make sure they retain Darren Walker as he is a good director. RL believes it is not fair that Darren Walker bears the brunt of a structure that was put in place at the company's founding.
3. **Zebra Technologies Corporation (ticker symbol ZBRA):** ZBRA provides enterprise asset intelligence solutions in the automatic identification and data capture solutions industry. ZBRA reached out to the Team for a shareholder engagement call to introduce the Compensation & Culture Committee Chair and discuss this year's Say-on-Pay vote. The Team spoke to ZBRA in May ahead of their 2024 AGM. During the May 2024 call, the Team noted our updated proxy policy to vote against all director nominees for U.S. issuers with a classified Board. The Team discussed say-on-pay and concerns including poor disclosure of goals, as specific quantified targets are not clearly disclosed in the proxy for the annual bonus program as well as for a majority of the forward-looking goals in the long-term program. ZBRA does not disclose goals for competitive reasons. The Team discussed concerns with ZBRA's LTI program, as it utilizes a "banking" feature, allowing for shares to be earned on an annual basis, which diminishes the long-term nature of the program. This is not a new feature of ZBRA's pay program, and it has only been used once in a decade. The Team highlighted concern with the \$9 M time-vested equity grant, vesting in full after approximately only one year, granted to the former CEO and current executive Chair. ZBRA noted the former CEO is no longer participating in the STI or LTI programs, and his pay was reduced from \$1.2 M to \$200,000. The one-time award was the only way to grant him an award, which served as a retention award during the transition period. The award was not tied to performance because they wanted to be clear there was one CEO driving ZBRA's performance. Lastly, ISS took issue with the cash severance received by an NEO. ZBRA clarified severance was warranted because the NEO was

terminated. During the July 2024 call, ZBRA received feedback from shareholders on the one-time award but believes the CEO/Chair transition has gone well. The Team shared preference for transparency on targets and whether they are achieved.

4. **McKesson Corporation (ticker symbol MCK):** MCK provides healthcare services. MCK reached out to the Team for a shareholder engagement call ahead of the 2024 AGM. The Team noted we are voting in line with management on all items except the shareholder proposal requiring an independent Board Chair. The Team highlighted our policy and preference for an independent Chair as we believe it is the best form of oversight. MCK was surprised by the shareholder proposal because MCK has an independent Chair currently. MCK believes it is in the shareholders' best interest to vote against the proposal to allow the Board's flexibility and discretion in future. MCK highlighted its recent Board refreshment.
5. **Autozone, Inc. (ticker symbol AZO):** AZO retails and distributes automotive replacement parts and accessories. AZO reached out to the Team to discuss their compensation philosophy. ISS and GlassLewis concerns lie with the LTIP being entirely time-based equity, particularly as the magnitude of the outgoing CEO's option grant significantly increased without a clear rationale. AZO does not agree that stock options are not performance awards. AZO believes stock options focus executives on ROI and long-term value creation vs most performance shares schemes which convert LTIP to STIP and create a focus on near term accounting profit growth which may or may not result in optimal value creation. In order to try to respond however to demands for a performance metric in the option plan AZO has done the following: Beginning this year 50% of Bill Rhodes LTIP grant was granted as premium (10%) options which cliff vest in five years; and, considering beginning next year 25% of Phil Daniele's LTIP grant will be granted as premium (10%) options which will cliff vest in five years. The Team asked why more companies don't use stock options and discussed burn rates. When it comes to CEO pay, during the last five years of his tenure, Bill was 26 percentile base salary, 42 percentile cash and 72 percentile LTI and he was a top 1% CEO based on performance over his 19-year tenure. Exactly how a shareholder would want it. Many companies preserve CEO pay for CEOs moving into the Exec Chair role. Neither Bill nor the Comp Committee thought this was appropriate. In addition, the options granted were premium (10%) options that cliff vest in five years.
6. **Micron Technology, Inc. (ticker symbol MU):** MU designs, develops, manufactures, and sells memory and storage products. MU reached out to the Team for a shareholder engagement call. The Team highlighted MU's plan to invest \$1 billion by 2028 to advance its environmental goals. MU noted they have spent about 40% of this commitment to date and have good line of sight for the remaining spend. MU noted sites can request funding. Funding requests are evaluated against NPV and ROI targets. The Team asked about MU's use of renewables, specifically in the U.S. compared to Asia. MU noted the U.S. continues to be the most cost-effective location for procuring renewable energy because places in Asia, like Taiwan, Singapore, and Japan, have limited renewable supply due to a lack of space. MU is partnering with the government directly to best determine alternative solutions. The Team asked whether MU has a concrete roadmap to achieve its net zero 2050 (Scope 1 and 2) goal. MU is focused on reaching its interim targets and plans on adding additional interim targets before 2050. The Team asked whether MU has evaluated and screened its solar suppliers for Uighur forced labor concerns. MU noted it is subject to UFLPA and forced labor concerns are a standard part of its supply chain expectations.
7. **LiveRamp Holdings, Inc. (ticker symbol RAMP):** RAMP operates a data collaboration platform. RAMP reached out to the Team for a shareholder engagement call ahead of its 2024 annual meeting. The Team shared we will be voting against all incumbent members of the Board due to the classified Board structure. The Team recognized the 80% vote standard for charter/bylaw amendment presents a barrier. RAMP has received similar feedback from shareholders on the classified Board structure. The Team also noted we will be voting against Item 2: Amend Omnibus Stock Plan because the plan cost is excessive, the three-year average adjusted burn rate exceeds 3.5 percent, the disclosure of change-in-control vesting treatment is incomplete (or is otherwise considered discretionary), and the plan allows broad discretion to accelerate vesting. RAMP had previously been allocating equity to everyone but scaled it down to directors and above and implemented performance management and tied equity directly to performance. RAMP noted

they do have accelerated vesting but rarely ever accelerate shares. RAMP also noted its recent acquisition affected its burn rate. RAMP collects training data internally and will consider adding usage data in the future. RAMP has started measuring and will disclose Scope 1 and 2 emissions in its 2024 sustainability report. In the future, RAMP will consider measuring and disclosing Scope 3 emissions. The Team encouraged RAMP to align itself with TCFD or CDP. RAMP will share our feedback internally. The Team asked if RAMP has suppliers outside of the US. RAMP has offices in Europe, and Australia and works with suppliers to support those functions outside the U.S. However, there is no forced labor concern as RAMP exited its China business last year due to macroeconomic reasons.

8. **CVS Health Corporation (ticker symbol CVS):** CVS provides health solutions in the United States. The Team participated in CVS's perception study with S&P Global Market and discussed our internal ESG processes. The Team highlighted CVS's excellent ESG profile with comprehensive disclosure and lack of deficiencies.
9. **PlayAGS, Inc. (ticker symbol AGS):** AGS designs and supplies gaming products and services for the gaming industry. AGS reached out ahead of the special meeting. The Team noted Item 2: Advisory Vote on Golden Parachutes is a refer item for Boston Partners, but ISS is recommending against the golden parachute proposal because the equity awards will automatically accelerate upon merger completion (single trigger). The Team noted AGS does not disclose the treatment of performance equity that will be accelerated. The Team asked if it is vesting based on target, maximum, or actual performance levels. AGS noted officers have employment contracts and this deal does not provide any unvested or unrealized performance equity. The performance equity that will be accelerated is earned at target.

The Team received the following responses from issuers, as well as participated in the following discussions, regarding Boston Partners' proxy vote against management.

1. **OGE Energy Corp. (ticker symbol OGE):** OGE operates as an energy services provider. OGE set up a call to discuss the Team's proxy letter regarding Boston Partners' votes for the shareholder proposal to adopt a simple majority vote to amend the company charter/bylaws. Currently, OGE has an 80% vote requirement to amend the charter/bylaws. OGE highlighted that they submitted management proposals at prior shareholder meetings that would have provided for a simple majority vote for most items (in 2013, 2016, 2020, and 2022) or a 67% supermajority vote (in 2023). All of these management proposals, and the most recent shareholder proposal, failed to receive the requisite 80% approval requirement to pass.
2. **Vivid Seats, Inc. (ticker symbol SEAT):** SEAT operates an online ticket marketplace. The Team sent a proxy letter noting we withheld votes from Mark Anderson, Todd Boehly, and Julie Masino because of the classified Board. Also, withheld votes from Mark Anderson for the Board's failure to remove, or subject to a sunset requirement, the pop-up supermajority vote requirement to enact certain changes to the governing documents and the classified Board structure. Also, the nominee is a non-independent and a member of a key committee. Withheld votes from Julie Masino for failing to address the material weaknesses in internal controls in consecutive years. In the absence of a say-on-pay proposal, withheld votes from Julie Masino given SEAT repriced outstanding stock options held by NEOs without prior shareholder approval. SEAT believes its classified structure is in the best interest of stockholders because it (i) allows a majority of directors to remain in place from year to year, which promotes continuity and stability and encourages long-term planning, and (ii) ensures that at any given time at least two-thirds of directors have experience with the business and operations. SEAT continues to assess its structure on an ongoing basis to confirm that it continues to meet the needs of the company and best serves the interests of stockholders. In regard to Mark Anderson not being independent, SEAT highlights that they will have a majority independent Board and fully independent committees by November 2024. In regard to Julie Masino and the material weakness over internal controls, SEAT is working diligently to resolve the issue. Nonetheless they understand our concern regarding Audit Committee oversight in the meantime. SEAT also appreciates our position in regard to option re-pricing and will take that into consideration going forward. SEAT noted that they considered the exchange to be value neutral (the exchange resulted in immaterial compensation expense) and did not make changes to the vesting requirements.

- 3. Kuwait Real Estate Co. (ticker symbol KRE-KW):** KRE-KW is a real estate company that owns, develops, and manages various properties in Kuwait. The Team sent KRE-KW a proxy letter regarding our votes against Item 4: Approve Corporate Governance Report and Audit Committee Report for FY 2023 due to the non-disclosure of the corporate governance report for the fiscal year in review. Also, voted against Item 6: Ratify Related Party Transactions for FY 2023 and Authorize the Board to Enter into Related Party Transactions for FY 2024 as the disclosure on the related-party transactions is not sufficient to ascertain the fairness of the transactions and their interests for shareholders and against Item 15: Elect New Board of Directors for the Next Three Years because of lack of information regarding the candidates up for election. KRE-KW responded and noted the first item where it stated that Boston Partners voted against the corporate governance report and audit committee for FY 2023 due to the non-disclosure of the report, in fact the report was disclosed and published as part of the annual report. It was uploaded on the website before the AGM to give shareholders time to review and reach out if they had any inquiries.
- 4. T-Mobile US, Inc. (ticker symbol TMUS):** TMUS provides mobile communications services. Boston Partners withheld votes from certain nominees because they are non-independent and a member of a key committee. TMUS responded and noted TMUS is deemed a “controlled company” under the NASDAQ rules due to the voting power held by Deutsche Telekom (DT). These rules exempt “controlled companies,” from certain corporate governance requirements, including certain Board and committee independence requirements. DT has the right to nominate 10 directors (two of which must be independent), the Nom/Gov committee nominates three directors (all three of which must be independent) and the final director is the TMUS CEO. Even though DT is only required to nominate two independent directors, TMUS currently has three nominated by DT, for a total of six out of 14. TMUS has a lead independent director and independent Chairs of three key committees. While the non-independent directors are not deemed independent under applicable NASDAQ and SEC rules, their affiliation with Deutsche Telekom has not, historically, impacted the independence of the Board and its ability to perform proper oversight role. The DT directors are interested not because they are part of the TMUS management, they are interested because they are representatives of a controlling stockholder. In addition, TMUS considers Marcelo Claure to be an independent Board member based on applicable NASDAQ and SEC rules. Given the foregoing, TMUS believes that the composition of the Board and its committees ensures representation of stockholders’ interests.
- 5. Ares Management Corporation (ticker symbol ARES):** ARES operates as an alternative asset manager in the U.S., Europe, and Asia. ARES set up a call to discuss the Team’s proxy letter. Boston Partners voted against the governance committee members for maintaining a multi-class capital structure with disparate voting rights that is not subject to a reasonable time-based sunset provision. Boston Partners voted against the directors that own supervoting shares because it provides them with voting power control of the company. Boston Partners voted against the two co-founders because they are non-independent directors and serve on a key Board committee. Finally, Boston Partners voted against the compensation committee members, in absence of a say-on-pay proposal, because certain NEOs received outsized incentive fee payments and carried interest distributions. ARES explained its unique corporate governance structure. ARES was founded as a private partnership and went public in 2014 as a publicly traded partnership with significant employee and founder ownership. In 2018, ARES underwent a conversion from a limited partnership to a corporation. Since 2018, ARES has established a compensation committee and a nominating and governance committee, despite not being required to do so. ARES also appointed additional independent directors and starting in 2023 had a majority independent Board. ARES continues to have significant employee and founder ownership at around 14-15%. ARES also highlighted that the founder does not receive a salary or bonus, he is only compensated based on the stock’s performance and dividends.
- 6. Merck & Co., Inc. (ticker symbol MRK):** MRK operates as a healthcare company worldwide. The Team sent a letter regarding our vote against management at the May annual meeting to support providing the right to act by written consent and MRK responded in July. MRK noted the Board understands that shareholders have different perspectives on the Written Consent Proposal. MRK routinely monitors and evaluates trends in corporate governance, reviews them against its practices and structures and regularly asks for and receives input from shareholders and other stakeholders.

The Governance Committee considers all this input when reviewing proposals, such as the Written Consent Proposal, to change such practices. Following a comprehensive review of MRK's governance structures, the Board recommended voting against the Written Consent Proposal at the Annual Meeting because adopting it would not enhance shareholder value. MRK shareholders can take action in a multitude of ways, including, but not limited to, by calling and acting at a special meeting and by submitting shareholder proposals for consideration at an annual meeting of shareholders. Adopting the Written Consent Proposal could also disenfranchise many shareholders, is less transparent and less democratic than action at a shareholder meeting and could create confusion and disruption for shareholders and MRK. 34.74% of shareholders at the Annual Meeting voted in support of the Written Consent Proposal, down from 39.77% in 2021, the last time shareholders voted on the Written Consent Proposal at MRK.

- 7. International Money Express, Inc. (ticker symbol IMXI):** IMXI operates as an omnichannel money remittance services company. IMXI called the Team to understand our proxy letter regarding our withhold votes from incumbent members of the Board due to the classified Board structure. The Team explained our new policy in 2024 is to vote against/withhold votes from incumbent members of the Board due to the classified Board structure for U.S. issuers. The Team noted we have expressed our view to declassify for the past few years in writing. IMXI noted we are the only shareholder who has expressed this preference. IMXI understands the issue and will be discussing it at the next Nominating and Governance committee meeting in October. IMXI noted it is not driven by the market or shareholders but something they are looking into as they look to ensure they are meeting best practices for corporate governance. IMXI will circle back following the meeting in October.

Proxy Voting:

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

- 1. The Italian Sea Group SpA (ticker symbol TISG-IT):** Voted against Item 1: Approve Long Term Incentive Plan 2027-2029 (Ordinary Business) and Item 1: Authorize Board to Increase Capital to Service the Long Term Incentive Plan 2027-2029 (Extraordinary Business) due to poor disclosure of some key plan features (performance criteria and targets, individual award limits) and potential full accelerated vesting in case of takeover bid. Voted against Item 2: Approve Remuneration Policy (Ordinary Business) because the new LTIP has significant shortcomings. TISG-IT does not disclose sufficient information on potential termination payments, provides insufficient information on the performance criteria and caps for variable remuneration, and the Board maintains excessively broad derogation and discretionary powers. Voted against Item 2: Amend Company Bylaws (Extraordinary Business) because the proposed amendments related to meetings through proxyholder and increased voting rights may negatively affect minority shareholder rights and value.
- 2. Alight, Inc. (ticker symbol ALIT):** Withheld votes from Item 1a: Elect Director William P. Foley, II, Item 1b: Elect Director Siobhan Nolan Mangini, Item 1c: Elect Director Coretha M. Rushing, and Item 1d: Elect Director Denise Williams because ALIT maintains a classified Board structure and a withhold vote from all directors is warranted. Withhold votes are further warranted for William P. Foley, II because the nominee sits on more than four public company Boards which presents overboarding concerns. Also, he is a governance committee member and the Board failed to remove, or subject to a reasonable sunset requirement, the classified Board structure and supermajority vote requirement to enact certain changes to the governing documents, each of which adversely affects shareholder rights.
- 3. Midea Group Co. Ltd. (ticker symbol BD5CPP):** Voted against Item 6: Approve Adjustment Provision of Guarantees to Controlled Subsidiaries, Item 7: Approve Asset Pool and Provision of Guarantee, and Item 8: Approve Provision of Guarantees to Shenzhen Kelu Electronic Technology Co., Ltd. and Its Subsidiary because the level of guarantee to be provided to some of its subsidiaries is disproportionate to the level of ownership in the said subsidiaries. BD5CPP has failed to provide any justifications in the meeting circular. Voted against Item 11.1: Elect Fang Hongbo as Director, Item 11.3: Elect Wang Jianguo as Director, Item 11.4: Elect Fu Yongjun as Director, and Item 11.5: Elect Gu Yanmin as Director because the nominees are incumbent members of the Board, (no nominating committee), and the Board

does not have the required number of members that are not of the majority Board gender. Boston Partners requires at least two women if there are seven or more directors.

4. **Baticim Bati Anadolu Cimento Sanayii AS (ticker symbol BTCIM.E-TR):** Voted against Item 8: Elect Directors as BTCIM.E-TR has not disclosed all the names of the director nominees in a timely manner. Voted against Item 9: Approve Director Remuneration because BTCIM.E-TR did not disclose the proposed Board fees, which prevents shareholders from making an informed voting decision. Voted against Item 10: Approve Upper Limit of Donations for 2024 due to lack of disclosure on the resolution.
5. **PT Waskita Beton Precast Tbk (ticker symbol WSBP-ID):** Voted against Item 6: Approve Changes in the Boards of the Company given the lack of information to make an informed voting decision.
6. **Guizhou Tyre Co., Ltd. (ticker symbol 000589-CN):** Voted against Item 2: Amend Related-Party Transaction Management System given 000589-CN has not specified the details and the provisions covered under the proposed amendments.
7. **Beijing Roborock Technology Co., Ltd. (ticker symbol BNR4NT):** Voted against Item 1: Approve Draft and Summary of Business Partner Share Purchase Plan, Item 2: Approve Management Method of Business Partner Share Purchase Plan, and Item 3: Approve Authorization of the Board to Handle All Matters Related to Business Partner Share Purchase Plan given that the significant shareholder (i.e., an individual with five percent or more of beneficial ownership) is involved as a plan participant.
8. **Top Frontier Investment Holdings, Inc. (ticker symbol TFHI-PH):** Withheld votes from Item 1b: Elect Ramon S. Ang as Director, Item 1c: Elect John Paul L. Ang as Director, and Item 1d: Elect Aurora T. Calderon as Director. Ramon S. Ang and Aurora T. Calderon sit on more than four public company Boards which presents overboarding concerns. John Paul L. Ang and Aurora T. Calderon are non-independent and members of a key committee.
9. **Euroseas Ltd. (ticker symbol ESEA):** Withheld votes from Item 1: Elect Director Panagiotis Kyriakopoulos because the nominee is an incumbent member of the Board (no nominating committee), and the Board does not have the required number of members that are not of the majority Board gender. Boston Partners requires at least one woman on Boards with six or fewer members. Also, the nominee sits on more than four public company Boards which presents overboarding concerns. Withhold votes are further warranted for maintaining a long-term poison pill that has not been ratified by shareholders.
10. **Bajaj Auto Limited (ticker symbol 532977-IN):** Voted against Item 7: Approve Extension of Benefits and Grant of Options to the Employee(s) of Associate and Group Company(ies), if any, in Addition to Holding and Subsidiary Company(ies) under Bajaj Auto Employee Stock Option Scheme 2019 because the proposal includes grant of stock options to employees of group, associate and holding companies without proper justification.
11. **Constellation Brands, Inc. (ticker symbol STZ):** Voted for Item 4: Report on Supply Chain Water Risk Exposure and Item 6: Report on Support for a Circular Economy for Packaging as additional disclosure on efforts to reduce supply chain water usage and to support a circular economy for packaging would bring STZ into alignment with standard practice, which would allow shareholders to better assess STZ's management of related risks.
12. **CRA International, Inc. (ticker symbol CRAI):** Withheld votes from Item 1.1: Elect Director Alva Taylor, Item 1.2: Elect Director Heather Tookes, and Item 1.3: Elect Director Karen Keenan because CRAI maintains a classified Board structure and a withhold vote from all directors is warranted.
13. **SharkNinja, Inc. (ticker symbol SN):** Voted against Item 1c: Elect Director Peter Feld, Item 1d: Elect Director Chi Kin Max Hui, and Item 1e: Elect Director Dennis Paul because the nominees are incumbent members of the nominating committee, the Board has seven or more members, and does not have at least two Board members that are not of the majority Board gender. Boston Partners requires at least two women on Boards of seven or more.

- 14. Polyplex (Thailand) Public Co. Ltd. (ticker symbol PTL.F-TH):** Voted against Item 5.1: Elect Sanjiv Saraf as Director because the nominee is an incumbent member of the Board (no nominating committee), and the Board does not have the required number of members that are not of the majority Board gender. Boston Partners requires two women on Boards of seven or more. A further vote against is warranted because Sanjiv Saraf attended less than 75% of Board and committee meetings over the most recent fiscal year, without a satisfactory explanation. Voted against Item 9: Other Business because details of other business have not been disclosed.
- 15. Jazz Pharmaceuticals Plc (ticker symbol JAZZ):** Voted against Item 1a: Elect Director Laura J. Hamill, Item 1b: Elect Director Patrick Kennedy, Item 1c: Elect Director Kenneth W. O'Keefe, and Item 1d: Elect Director Mark D. Smith because JAZZ maintains a classified Board structure and a vote against all directors is warranted. Voted against Item 5: Authorize Issue of Equity without Pre-emptive Rights because the stock that could be issued represents more than 10% of the current outstanding shares.
- 16. Kerevitas Gida Sanayi ve Ticaret AS (ticker symbol KERVT.E-TR):** Voted against Item 9: Approve Upper Limit of Donations for 2024 and Receive Information on Donations Made in 2023 due to a lack of disclosure on the resolution.
- 17. Ujjivan Small Finance Bank Limited (ticker symbol 542904-IN):** Voted against Item 4: Reelect Samit Kumar Ghosh as Director because the nominee is non-independent and a member of a key committee. Voted against Item 11: Elect Mona Kachhwaha as Director because she is non-independent due to her association with 542904-IN for more than 10 years.
- 18. Cavco Industries, Inc. (ticker symbol CVCO):** Voted against Item 1a: Elect Director Steven G. Bunger and Item 1b: Elect Director Steven W. Moster because CVCO maintains a classified Board structure and a vote against all directors is warranted.
- 19. McKesson Corporation (ticker symbol MCK):** Voted for Item 5: Require Independent Board Chair because it provides the best form of independent oversight.

Boston Partners voted the following number of proxies:

Number of meetings: 47

Number of issues: 449

Index of Acronyms:

AGM: Annual General Meeting

CDP: Carbon Disclosure Project

EEO-1: An EEO-1 report is a survey mandated by the U.S. Equal Employment Opportunity Commission. It aims to provide a demographic breakdown of the employer's workforce by race and gender.

GRI: Global Reporting Initiative

ISS: Institutional Shareholder Services Inc. is a proxy advisory firm.

LTI: Long Term Incentive

LTIP: Long Term Incentive Plan

LTIR: Lost Time Incident Rate

NEO: Named Executive Officer

NPV: Net Present Value

PV: Photovoltaics

Index of Acronyms (continued):

RCF: Revolving Credit Facility

ROI: Return On Investment

SASB: Sustainability Accounting Standards Board

SBTi: Science Based Targets initiative

SOFR: Secured Overnight Financing Rate

STI: Short Term Incentive

STIP: Short Term Incentive Plan

TCFD: Task Force on Climate-Related Financial Disclosures

TRIR: Total Recordable Injury Rate

TRIFR: Total Recordable Injury Frequency Rate

UFLPA: Uyghur Forced Labor Prevention Act

Disclosure

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