

Engagement Report

Calls, meetings, and correspondence with issuers



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This report includes engagement actions undertaken by the Sustainability and Engagement Team during September 2025.

We engaged with the below issuers following research on the company.

- 1. Cummins, Inc. (ticker symbol CMI):** CMI offers various power solutions worldwide. We emailed CMI in August following research and CMI set up a call to discuss in September. We asked following the \$2 billion settlement relating to installing devices designed to cheat emissions control, was any disciplinary action taken such as termination of certain personnel as a result of the incident? If not, what actions were taken to ensure robust corporate governance? CMI noted they conducted an extensive internal review once the problem was raised and determined no one acted in bad faith and CMI did not admit any wrongdoing. As a result of the incident, CMI implemented various measures to ensure robust corporate governance. CMI works to strengthen its ability to design products while ensuring they are compliant in this increasingly challenging regulatory environment. There are checkpoints during product development and training. We asked what the weighting is of the STI and separately of the LTI in executive compensation that is tied to the Accelera segment? We noticed the Accelera strategic scorecard metric was paid out at 120%. How was the 120% payout specifically determined? CMI noted the strategic metrics were established before the calendar year with specific milestones to be attained. We noted we would like to see the specifics disclosed as well as the weightings more clearly disclosed in the proxy. We asked about scope 3 emissions reporting and CMI noted they have this disclosed in the CDP response. We noted we have trouble accessing CDP and CMI noted they would send us the response following the call. We asked what the results were of the supplier audits and if there were any corrective actions taken. CMI noted they do not share the results publicly but when they do have findings, they remedy all or strategies are put in place to exit from suppliers. We noted our preference for an independent Chair and CMI noted our position.
- 2. Korean Air Lines Co., Ltd. (003490-KR):** 003490-KR provides airline services. We emailed 003490-KR following research and asked how they plan to reduce its occupational injury rate as it has increased each year since 2021. We encouraged 003490-KR to declassify the Board and asked what the cost of using SAF is compared to traditional jet fuel, at what blend capacity and what type of feedstock of SAF is used.
- 3. RingCentral, Inc. (RNG):** RNG provides cloud business communications, contact center, video, and hybrid event solutions. We emailed RNG following research and 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.
- 4. Kontoor Brands, Inc. (KTB):** KTB is a lifestyle apparel company, designs, produces, procures, markets, distributes, and licenses denim, apparel, footwear, and accessories, primarily under the Wrangler and Lee brands. We emailed KTB following research

and encouraged KTB to adopt an independent Chair, to disclose complaints made on its whistleblower lines, to provide overall workforce diversity, and to disclose data to back up the use of its training programs.

5. **D.R. Horton, Inc. (DHI):** DHI engages in the construction and sale of single-family housing. DHI responded to our email and set up a call to discuss our feedback. DHI expects the 2024 report to be published in the coming weeks. Going forward, DHI plans on publishing the annual sustainability report in late spring or early summer. DHI is preparing to comply with the California Climate Disclosure Laws that go into effect next year. DHI engaged a third-party sustainability consultant to help conduct a formal climate-risk assessment and to collect Scope 3 emissions data. DHI explained that it sources lumber from several large companies on a local basis. DHI's suppliers obtain sustainable forestry certification for a portion of their lumber. The suppliers typically do not own the forest lands where they harvest. The private land owners may not certify their forestry practices due to the cost.
6. **Alcoa Corp (AA):** AA engages in the bauxite mining, alumina refining, aluminum production, and energy generation business. We emailed AA following research in August and AA set up a call to discuss in September. We asked if AA reports to the CDP. AA noted they are filing this year's report next week but do not make the response public. We noted our preference for making the report public on their website. We noted the 30% weight for safety and inclusion metrics in the annual incentive and 30% weight for carbon intensity in the LTI appears high. AA noted the weighting is in line with their priorities. We noted it is a high for a U.S. company and we asked if AA was aware of the litigation risk for including diversity in executive compensation. AA is aware of it. We asked what percentage of assets are located on or near the traditional lands of Indigenous Peoples. AA noted every jurisdiction defines it a little different and AA does not have an exact percentage. We noted our preference to see any grievances or incidents related to indigenous communities disclosed and the results and any corrective actions disclosed. We sent a good example of this following the call. We noticed almost 35% of the direct energy is from coal. We asked how AA plans to reduce its reliance on coal. AA is looking to natural gas conversion and also switching directly to electric boilers. In Brazil, hydropower is more available. AA is looking to move to renewable energy through long term contracts which will not be a significant expenditure. In Indiana, the grid is mostly coal, so AA is struggling to move away from it for that reason. We asked about the percentage of revenue from the Sustana™ brand (EcoDura™ aluminum, EcoLum™ aluminum, and EcoSource™ alumina) products. AA noted as a percentage of sales volume, in Europe it's 50% and in North American it is single digits but growing. We noted the safety rates have increased and would like to see an explanation provided or a comparison to the industry average.
7. **CareDx, Inc. (CDNA):** CDNA engages in the discovery, development, and commercialization of diagnostic solutions for transplant patients and caregivers. We emailed CDNA following research and 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. We also encouraged CDNA to report whistleblower statistics.
8. **Northeast Community Bancorp, Inc. (NECB):** NECB operates as a Bank holding company. We emailed NECB following research and encouraged NECB to adopt an independent Chairperson, to eliminate the classified board structure and supermajority voting provisions and adopt a majority vote standard. We asked how NECB is able to classify four of its Board directors with a tenure over 11 years as independent and asked if any directors on the Board identify as a racial/ethnic minority. We also encouraged NECB to publish a sustainability report in accordance with GRI and SASB standards. NECB responded and noted they shared the feedback with the Board. NECB believes its classified board and supermajority provisions remain appropriate. NECB is mindful of director tenure concerns and NECB considers attendance and performance, length of Board service, experience and skills and contributions as well as independence. NECB periodically reviews its practices regarding CSR and sustainability. NECB does not intend to publish a formal sustainability report but will continue to evaluate its disclosures.
9. **Hypera SA (HYPE3-BR):** HYPE3-BR is a pharmaceutical company. We emailed HYPE3-BR following research and asked if any due diligence is performed to determine suppliers are clear from forced labor. We encouraged HYPE3-BR to adopt an independent Chairperson, to increase independence on the Board, and to adopt an annual election of directors' policy.
10. **Enterprise Financial Services Corp (EFSC):** EFSC offers banking and wealth management services to individuals and corporate customers. We emailed EFSC following research and encouraged EFSC to align its sustainability disclosure with GRI or SASB standards.

- 11. Matson, Inc. (MATX):** MATX engages in the provision of logistics and transportation services. We emailed MATX following research in August and MATX set up a call to discuss in September. We encouraged MATX to provide more information on where the majority of suppliers are located and any due diligence conducted to ensure no human rights/forced labor concerns. MATX noted in order to operate in the U.S. west coast and Hawaii and U.S. west coast and Alaska, MATX must comply with the Jones Act which is a federal law that ocean carriers engaged in ocean shipping must meet. The requirement has many parts but one of which is for the ships to be U.S. owned and built in U.S. yards. 17 of 23 of MATX's ships are U.S. flagged and Jones Act qualified. We asked about ship breaking following the useful life of a ship. MATX noted its ships last 40 years or so but are dismantled in the U.S. We encouraged MATX to adopt an independent Chairperson. MATX noted they have thoughtfully considered the issue but remain confident in the combined roles and lead independent director. We asked about disclosure on the cost/benefit of sustainability. MATX noted its biggest expenditure is the climate transition plan involving new vessel construction to engines with LNG. One vessel cost \$86 million and two ships cost \$94 million. The reason was part emissions and also part speed of vessels. By converting to LNG, MATX is able to maintain speeds.
- 12. PTC Therapeutics, Inc. (PTCT):** PTCT is a biopharmaceutical company. We emailed PTCT following research and encouraged PTCT to remove the classified board structure, to eliminate the supermajority voting provisions and adopt a majority vote standard, and to align its sustainability report with GRI and SASB standards. PTCT responded and thanked us for sharing our recommendations and noted they would take these under advisement and review with executive leadership.
- 13. NetSTREIT Corp. (NTST):** NTST is an internally managed REIT that specializes in acquiring single-tenant net lease retail properties. We emailed NTST following research and asked when they plan on publishing an updated sustainability report. We also asked how NTST is improving internal controls to prevent future financial losses from phishing incidents. NTST set up a call to discuss our email. NTST plans to publish the updated sustainability report by the end of the month. NTST's environmental footprint is limited because they do not operate their properties. NTST noted that many of the tenants are making upgrades to their properties. In June 2024, NTST was victim of a criminal phishing scheme that resulted in a \$2.8 million loss, net of insurance. Since then, NTST has enhanced their processes and controls to prevent a future incident. NTST has retrained their employees, enhanced their policies, and changed cyber security providers. NTST's updated systems controls and processes were deemed effective by their internal audit group and an external audit group. NTST has also acquired additional insurance related to phishing incidents. NTST's workforce is using a greater degree of professional skepticism, as it relates to wire payments.
- 14. CDW Corporation (CDW):** CDW engages in the provision of information technology solutions. We emailed CDW following research and asked when CDW plans to publish an updated sustainability report. CDW responded to our email and noted they are in the process of building the report, which is currently slated to be published by December. Additionally, the CDW Board is evaluating a framework for a provision allowing shareholders to act by written consent, designed to balance shareholder rights with transparency and fairness for all investors. Key elements being 25% ownership threshold required to initiate the process, written request to establish a record date, disclosure of proponents' identities, ownership levels, and proposed action, requirement that consent be solicited from all stockholders of record. We noted we would be in support of the proposed response as it relates to the right to act by written consent.
- 15. Atmus Filtration Technologies, Inc (ATMU):** ATMU makes filters and other components. We encouraged ATMU to disclose whistleblower statistics, environmental goals, hours of training, supplier audits and leadership diversity.
- 16. Ingevity Corporation (NGVT):** NGVT is a biobased chemical additives company. In August, we had encouraged NGVT to describe a plan for its environmental goals and to disclose supplier oversight and whistleblower claims. NGVT responded that it would disclose goals after a corporate transaction, that it disclosed supplier oversight to raters and rankers such as CDP and EcoVadis and would not disclose whistleblower claims.
- 17. Ingredion Incorporated (INGR):** INGR is an agricultural products company. In August, we encouraged INGR to disclose whistleblower statistics and its plan for reducing its GHG emissions with more specificity. We also asked about the potential for an EcoVadis rating upgrade. INGR responded that it would consider the additional disclosure and that EcoVadis would reconsider its rating sometime after October 2025.

- 18. ASGN, Inc. (ASGN):** ASGN engages in the provision of IT services and solutions. We emailed ASGN following research and asked why ASGN hasn't put up a proposal at the AGM to eliminate the classified Board structure, what the costs were to resolve the cybersecurity breach in 2024, how 4 directors with excessive Board tenure are able to classify as independent, and why ASGN hasn't provided updated diversity disclosure of its workforce. ASGN responded and noted the Board has considered the potential to declassify the Board structure. At this time, ASGN continues to believe that a classified board structure is the best for ASGN, though that does not mean they would not reconsider the structure in the future. ASGN believes that a staggered board enables their directors to concentrate on long-term objectives. With only three or four of ASGN's directors up for election each year, ASGN ensures longevity without the interruption of frequent re-elections. In addition, by serving a few years before re-election, directors can establish strong relationships with management and gain a deep understanding of ASGN. ASGN also safeguards the Board against unforeseen changes in director composition, enabling the Board to facilitate effective long-term planning. ASGN believes that this structure attracts experienced and qualified director candidates who are dedicated to serving and supporting ASGN over the long term. ASGN had one cybersecurity incident, but it was immaterial and did not have any related costs. ASGN had no data breaches and are updating the report accordingly. ASGN noted its most longstanding directors are reviewing retirement at their next election. Given requirements of certain portions of the customer base, ASGN has modified what they publicly disclose regarding diversity demographics.
- 19. Wintrust Financial Corporation (WTFC):** WTFC provides banking services. We encouraged WTFC to disclose GHG emission reduction goals, energy consumed, use of renewable energy and leadership diversity statistics.
- 20. Com7 Public Company Limited (COM7.R-TH):** COM7.R-TH engages in the sale of information technology products. We emailed COM7.R-TH following research and encouraged COM7.R-TH to report climate change risks and opportunities in accordance with TCFD or CDP.
- 21. Pinnacle Financial Partners, Inc. (PNFP):** PNFP provides various banking products and services to individuals, businesses, and professional entities. We emailed PNFP following research and encouraged PNFP to align its sustainability report with GRI or SASB standards, adopt an independent Chair, and report on environmental metrics.
- 22. Allegiant Travel Company (ALGT):** ALGT operates Allegiant Air airlines. We suggested to ALGT that it publish whistleblower statistics and examine the long tenure (greater than 12 years) of four of the six independent directors.
- 23. Kronos Worldwide, Inc. (KRO):** KRO produces and markets titanium dioxide pigments. We emailed KRO following research and asked when to expect an updated sustainability report. We also asked if the two directors with 22 years on the Board are truly independent.
- 24. Andradra Mining Ltd. (ATM-GB):** ATM-GB engages in the exploration and development of mineral projects. We emailed ATM-GB following research and asked how ATM-GB prevents artisanal small-scale mining in or near its operations, and how many instances of this have been recorded in the year in review. We noted purchased electricity and mobile diesel (vehicle and mining fleet) are the largest emission sources. We asked if ATM-GB plans to adopt environmental goals to reduce emissions in this area. We noticed 30% of the STI is ESG. We asked what the specific quantifiable measurable goals are and what was the actual payout. We asked if any assets are located on or near indigenous land and if so how ATM-GB communicates with Tribal leaders to ensure there is no business activity on sacred land. Also, of the grievances received, how many involved indigenous communities and how many were resolved. We asked if any Indigenous groups received any compensation payments as a result. We noted ATM-GB recorded 20 environmental incidents (17 were level 1 and three were level 2). We asked what the related costs were to resolve the incidents. We asked if any energy is from renewables. We encouraged ATM-GB to disclose the total tailings produced and total mineral wastes as well as the amount recycled. Lastly, we noted 85% of suppliers are located in Namibia. We encouraged ATM-GB to disclose the number of supplier audits conducted, the results of the audits and any corrective action taken.
- 25. First Advantage Corporation (FA):** FA provides employment background screening, identity, and verification solutions. We emailed FA following research and encouraged FA to eliminate the classified Board structure, report whistleblower statistics, and

report additional environmental metrics related to energy consumption, renewables, water consumption, and waste generation. FA's Vice President of Investor Relations shared our feedback internally.

- 26. World Kinect Corporation (WKC):** WKC operates as an energy management company. We emailed WKC following research and asked when we should expect to see an updated sustainability report and how 6 directors with excessive Board tenure are able to classify as independent.
- 27. Genomma Lab Internacional SAB de CV (LABB-MX):** LABB-MX provides pharmaceutical and personal care products. We emailed LABB-MX following research and encouraged LABB-MX to adopt an independent Chairman.
- 28. Talen Energy Corp (TLN):** TLN is an independent power producer and infrastructure company. We emailed TLN following research and asked if TLN plans to publish a sustainability report.
- 29. Chambal Fertilisers & Chemicals Ltd. ('Chambal'):** Chambal produces and sells fertilizers. We emailed Chambal following research and encouraged Chambal to conduct and report on supplier audits.
- 30. The Progressive Corporation (PGR):** PGR operates as an insurance company. We emailed PGR following research and encouraged PGR to disclose data to back up the use of professional development programs and to disclose the number of suppliers audited annually, the results of those audits and any corrective actions taken.
- 31. Arcos Dorados Holdings, Inc. (ARCO):** ARCO operates as a franchisee of McDonald's restaurants. We emailed ARCO following research and encouraged ARCO to adopt an independent Chairman and to declassify its Board.
- 32. Hammond Power Solutions Inc. (HPS.A-CA):** HPS.A-CA engages in the design, manufacture, and sale of various transformers. We emailed HPS.A.-CA following research and encouraged HPS.A-CA to adopt an independent Chairman and to disclose supplier audit data.
- 33. Upland Software, Inc. (UPLD):** UPLD provides cloud-based software applications. We emailed UPLD following research and encouraged UPLD to remove the classified board structure, to adopt an independent Chairman, and to produce a sustainability report with GRI and SASB standards.
- 34. CRH plc (CRH):** CRH provides building materials solutions. We emailed CRH and asked if they are able to provide how the fatality rate compares to the industry average and/or peers. CRH responded and noted its ambition is to have a culture of safety and wellness working towards zero harm, with a target of zero fatalities in any year. Regrettably, despite best efforts and uncompromising approach to safety, there were five workplace related fatalities in the business in 2024. Given the unique scale, geographic footprint and the diversified nature of business lines (across cement, aggregates, RMC, asphalt etc.), it is challenging to benchmark CRH's safety metrics versus industry average and/or peers. In addition, it is worth noting that reporting of fatalities may vary due to different reporting standards and methodologies. However, based on their assessment versus a diverse group of industry peers, CRH's fatalities would be at the mid-point. CRH invests substantial time, effort and financial resources to comply with applicable regulations and ensure a safe workplace. CRH drives continuous improvement across operations as they continue to embed the CRH Life Saving Rules and through global safety audit programs.
- 35. Bowhead Specialty Holdings, Inc. (BOW):** BOW is a specialty lines focused insurance organization. We emailed BOW following research in July and encouraged BOW to publish a sustainability report in accordance with GRI and SASB. BOW responded in September and noted while developing a sustainability report is on their roadmap, as an emerging growth company, they do not have a specific timeline to share at the moment. BOW understands the importance and is committed to complying with all applicable disclosure requirements.
- 36. Leons Furniture Limited (LNF-CA):** LNF-CA is a retail conglomerate specializing in major home furnishings, mattresses, appliances and electronics. We emailed LNF-CA following research in August and noted LNF-CA met with our team back in September 2024 to discuss sustainability reporting. We asked if LNF-CA has made any progress since that discussion as we do not see a sustainability report on the website yet. LNF-CA responded in September and noted sustainability reporting is still part of the plan, but LNF-CA has not published one yet.

- 37. Mesa Laboratories, Inc. (MLAB):** MLAB develops, designs, manufactures, sells, and services life sciences tools and quality control products and services. We emailed MLAB following research in July and encouraged MLAB to publish its sustainability report in accordance with GRI and SASB standards and asked if MLAB has taken any action to address any perceived weaknesses from the Glassdoor and Indeed reviews. MLAB responded in September and noted while they do not produce an annual sustainability report, they do measure itself using widely-recognized corporate responsibility standards. MLAB's Scope 1 and 2 GHG emissions are calculated using the GHG Protocol. MLAB uses SASB standards in identifying and evaluating its Corporate Responsibility metrics internally. The future sustainability brochure is being designed to link the discussion of ESG matters to relevant SASB standards. MLAB expects the report will be available in the fourth quarter of the current fiscal year. MLAB is aware that its current Glassdoor and Indeed scores do not fully reflect the positive culture MLAB is building internally, and take employee feedback very seriously. MLAB already has begun taking action in several ways: Listening to employees: MLAB is conducting engagement surveys on an annual basis and focus groups to better understand specific pain points and themes behind the feedback. Improving the employee experience: MLAB is completing the job architecture and career framework project to address concerns related to career progression, enhancing check-in process with new hires at different stages of their onboarding, and conducting manager training to address common areas employees value most—growth, recognition, and communication. Tracking progress: MLAB has set measurable goals around engagement and retention, and will continue to monitor progress both internally and through external review platforms. We have a call setup with the lead independent director of the Board in October.
- 38. Prologis Property Mexico SA de CV (FIBRAPL14-MX):** FIBRAPL14-MX is a REIT in Mexico. We emailed FIBRAPL14-MX following research and asked how the ESG factors in executive compensation were measured and what was the most recent payout.
- 39. Perdoceo Education Corporation (PRDO):** PRDO provides accredited academic institutions. We emailed PRDO following research and asked if PRDO has given any thought to producing a sustainability report following our call last year. We noticed four independent directors have a Board tenure at 16, 19 (two directors), and 22 years. We asked if PRDO can explain how PRDO is able to classify these Board members as independent. We noticed 20% of the STI is based on individual goals and was paid out at maximum. We asked how this payout was specifically determined.
- 40. Matthew International Corporation (MATW):** MATW provides brand solutions, memorialization products, and industrial technologies. We emailed MATW in August 2025 following research and encouraged MATW to disclose workforce diversity, to disclose the use of training programs, and to disclose supplier audit data. We also asked if MATW aims to set specific environmental goals. MATW responded to our email in September 2025 and noted it will keep our suggestions in mind as it works to further refine and enhance its ESG program.
- 41. Metallus Inc. (MTUS):** MTUS manufactures and sells alloy steel, and carbon and micro-alloy steel products. We reached out to MTUS following research and asked to set up an engagement call. We noted MTUS met its 2030 GHG and energy usage goals ahead of schedule and asked what proportion of reductions were due to plant closures. MTUS noted that its EAFs are the largest contributors to its Scope 1 and 2 footprint. MTUS noted two EAFs, one idle at Harrison and one active at Faircrest, are key drivers of emissions reductions. In 2023, MTUS relocated its scrap yard to be adjacent to the Faircrest melt shop, reducing emissions from material transport. Additional efficiency projects, including water reuse and improved gauging technologies, contributed to reductions. Investments in new assets (expected in 2026), such as a more efficient bloom rehear furnace, are anticipated to drive further improvements. We asked about future GHG and energy reduction targets beyond 2030 and whether MTUS has considered SBTi validation. MTUS noted it has evaluated SBTi but opted to align with the Global Steel Climate Council (GSCC), which it considers a more appropriate industry standard. MTUS noted GSCC provides a single, science-based standard for steelmaking, regardless of process type. EAFs face challenges meeting SBTi criteria, making GSCC alignment more feasible. MTUS uses intensity-based targets and continues to evaluate its approach internally. Regarding renewable electricity, we noted that in 2024, electricity made up 50% of MTUS's energy mix, but only 5% came from renewables. MTUS shared its commodity council meets quarterly to evaluate onsite solar, PPAs, and RECs. Some customers are encouraging MTUS to purchase RECs for their products. Renewable options are evaluated case-by-case, but market competitiveness remains a challenge. We asked why Scope 3 emissions haven't been updated since 2022. MTUS explained that it does not believe its footprint has changed dramatically, and will reevaluate when the best time to complete a new assessment is. MTUS is also working with suppliers to improve data collection and reliability. We also encouraged MTUS to disclose workforce diversity data. MTUS emphasized its focus on diversity

of thought and leadership. Finally, we addressed safety performance. Despite a planned \$5 million investment in 2025, MTUS's 2024 safety metrics were below industry average. MTUS noted its incident severity and leading indicators are declining. MTUS is addressing systemic issues and strengthening safety leadership. It maintains a strong relationship with its union partners.

We engaged with the below issuers following shareholder outreach by the company.

- 1. Saipem SpA NPV (SPM-IT):** SPM-IT engages in the provision of basic and detailed onshore engineering, procurement, project management, and construction services. SPM-IT reached out to discuss the extraordinary shareholder meeting. We noted we are voting FOR the proposal to Approve Merger by Incorporation of Subsea 7 SA into Saipem SpA. We turned to sustainability. We noted 20% of the STI and 20% of the LTI is related to non-financial metrics. All of the STI metrics were achieved at target or maximum. We noted we would like to see rigorous material ESG metrics included in compensation. SPM-IT noted they are working on new targets for the compensation plan in October and proposed a call between us and certain Board members around that time so they receive our feedback before the beginning of the year. We noted corporate governance held back our sustainability research rating from being excellent due to the directors having 3 year terms and two shareholders having a right to appoint six of the nine directors. Although we noted these are typical for an Italian issuer and SPM-IT complies with the Italian Corporate Governance Code.
- 2. Grand Canyon Education, Inc. (LOPE):** LOPE operates as an education services company in the United States. LOPE came into the Boston office for a management meeting. Many topics were addressed relating to the fundamental research side. We noted the LTI in executive compensation is 100% time-based equity. We noted our preference for at least 50% PSUs. LOPE noted they have had that conversation and continue to discuss it. Point taken and acknowledged by LOPE.
- 3. Saipem SpA NPV (SPM-IT):** SPM-IT engages in the provision of basic and detailed onshore engineering, procurement, project management, and construction services. SPM-IT reached out for a follow-up call on remuneration. We gave specific recommendations as it relates to the non-financial metrics in the STI and LTI. We noted our preference for safety and GHG emissions reduction metrics. We also gave recommendations as it relates to the financial metrics. We emphasized more metrics that related to the full company portfolio. We noted our preference to increase the return on average invested capital metric weighting in the LTI.
- 4. Morgan Stanley (MS):** MS provides diversified financial services. MS reached out for an engagement call. The executive compensation program considers non-financial focus areas such as culture, leadership tenure, attrition, and internal mobility. Financial metrics, along with these non-financial focus areas, help wholistically determine executive pay. MS left the Net Zero Banking Alliance at the beginning of 2025. MS had participated in the alliance for several years and no longer needed assistance from the alliance due to internal expertise at the firm. Despite leaving the alliance, MS did not change its net zero financed emissions targets. MS is still a member of PCAF. MS noted a significant lag in the financed emissions data due to the nature of the reporting cycle. MS is in position to assist clients in meeting emissions reduction targets with capital and expertise. MS is realist about its financed emissions targets, and the challenges associated with them. MS has made great progress against its sustainable finance targets. Eligible themes include clean energy, clean mobility, energy and operational efficiency, carbon reduction and removal, climate adaptation, environmental solutions, as well as several social categories. MUFG is entitled to two Board seats. MUFG owns approximately 24% of shares. The strategic alliance with MUFG dates back to the financial crisis. MS is constantly searching for directors due to the difficulty of finding independent directors in the financial services sector. MS is focused on having a Board with a balanced skill set. The average Board tenure is below the S&P 500 average.
- 5. Babcock International Group plc (BAB-GB):** BAB-GB engages in the provision of engineering support services to government organizations and key industries in the private sector. BAB-GB reached out to discuss their remuneration policy prior to the annual meeting. BAB-GB introduced a kicker provision under the existing LTIP which will double the existing award opportunity from 250% to 500% of base salary. The kicker provision is tied to absolute TSR over the three-year period. At this time last year, BAB-GB noted that investor sentiment was strong, but the share price was stuck. BAB-GB had many discussions with investors about executive retention. BAB-GB's executives were incentivized to drive strategic elements of the business but there was nothing aligned with stock performance. We asked why BAB-GB did not use relative TSR as the metric. BAB-GB noted that it is difficult to find a proper peer group in their space. We asked why BAB-GB selected 500% as the maximum opportunity and not a lower percentage. BAB-GB

noted that the executive team would need to achieve all LTIP targets at 100% and achieve top decile TSR to reach 500%. In that scenario, both BAB-GB and the shareholders would have benefited from the stock price appreciation. Finally, we discussed ESG targets embedded in the annual bonus and LTIP. We noted that these metrics should be quantitative and rigorous and must relate to ESG focus areas that are material to the business. BAB-GB took our feedback and noted that their targets are focused on ESG areas that drive improved business performance. We also noted that the ESG targets were paid out at maximum last year. BAB-GB's Board felt that the executives had done an exceptional job in terms of performance and progress on ESG initiatives. BAB-GB does not expect the ESG targets to pay out at maximum every year. After discussing internally with our governance committee, we decided to vote for the remuneration policy and performance share plan.

- 6. Harley-Davidson, Inc. (HOG):** HOG manufactures and sells motorcycles. HOG reached out to see if we wanted to connect with the Board given the upcoming management change. We asked what the selection team saw in Arthur Starrs as CEO. HOG noted he checks so many boxes. He is a great people leader who can rally the team, exudes leadership and has high ethics. He is results driven, with extreme intellect, good instincts, and good brand experience. He has a manufacturing and industrial tech background. We asked if change will come with a new Board Chair. HOG has confidence in Troy as he is a good listener, dedicated and a steady hand. We asked what the biggest risk is with Arthur Starrs. HOG noted there is always risk with a new CEO and what he doesn't know but he is very self-aware and asks a lot of questions. One risk is he is a new rider. However, he bought a bike and now has his license. We asked how the new CEO plans to repair the culture within the company and relationships among dealers. HOG noted the CEO is a listener and learner who understands growth and cost. We noted the LTIP is now 50% performance shares. We asked about the specific metrics. HOG noted LTI will be based on ROIC and revenue. We noted we like ROIC and FCF with a TSR component.
- 7. Cencora, Inc. (COR):** COR sources and distributes pharmaceutical products. COR reached out as part of its shareholder outreach program. We noted COR's executive compensation program has remained fairly consistent and has retained an ESG metric in the STIP over the past several years. We asked how COR determines which ESG metrics to include and whether it anticipates continuing to incorporate ESG metrics in the STIP. COR noted that its compensation committee reviews the program annually and considers broader market trends. However, at this time, there are no plans to change the current structure. COR believes a strong incentive plan should include a portion tied to non-financial factors, as this aligns with good business practices. We expressed our preference for rigorous, material ESG metrics in compensation and noted the current 5% weighting is appropriate. Given the progress COR has made in workforce diversity, we suggested it may be time to shift focus to other material priorities, such as safety given the one fatality in fiscal year 2024 or progress against SBTs. We noted recent news about Walgreens and asked whether it might impact COR or its governance going forward. COR responded that its strategic partnership with Walgreens remains strong. Since Walgreens' ownership fell below 5%, the director seat it was entitled to under the agreement was no longer applicable. The director stepped down from the Board, although the director could have remained on the Board. COR also highlighted several changes in its Board composition. Two new independent directors joined in the past year following the retirement of long-tenured directors. Additionally, COR's lead independent director will assume the role of independent Board Chair effective 10/1/2025. COR emphasized that it does not follow a prescriptive policy but aims to do what is best for the business and believes that appointing an independent Chair is the right decision at this time.
- 8. Maplebear Inc. (CART):** CART engages in the provision of online grocery shopping services to households. CART reached out to discuss their compensation program from last year. We also discussed our votes against management at the 2025 annual meeting. We withheld votes from all director nominees due to the classified Board structure and supermajority vote requirement. CART considers their governance structure each year. CART prefers the classified Board structure due to the continuity it provides. The nominating and governance committee regularly evaluates the Board structure. Additionally, we discussed our votes against say-on-pay due to concerns around 2024 equity awards. CART's executive compensation plan emphasizes RSUs. RSUs tie executive equity awards to stock price appreciation. We noted that we prefer to see half RSUs and half PSUs. In 2024, the former CEO received a \$45 million time-based equity grant, which would vest quarterly over three years. The former CEO's original offer letter allowed for annual grants of \$15 million. CART mentioned that the \$45 million grant was meant to cover 2024-2026. CART believed the larger equity award would be a helpful retention tool. However, the CEO resigned to take the CEO position at OpenAI in May 2025. CART noted the competitive market for CEOs from a compensation perspective. CART had a succession plan in

place, and they appointed their Chief Business Officer as the successor to the departing CEO. Finally, we provided general feedback regarding CART's compensation plan. CART does not have an annual incentive program, and the vast majority of equity awards are time-based RSUs. We encouraged CART to establish an annual incentive program with rigorous performance metrics.

- 9. Landstar System, Inc. (LSTR):** LSTR provides integrated transportation management solutions. LSTR reached out to discuss the results of the advisory vote on executive compensation, which did not pass at its 2025 AGM. The new CEO received \$12 million in sign-on equity awards (\$2M in time-based and restricted stock and \$10M in PSUs), plus an \$800k cash make-whole bonus and \$400k relocation benefits. ISS noted the magnitude was over double the median CEO pay at peers. ISS also noted LTIP disclosure deficiencies, and the complexity of the STIP payout formula may concern shareholders (although it has not paid out in recent years). LSTR noted it has since engaged with an external compensation consultant to receive an additional outside perspective. LSTR also noted the new CEO awards were necessary given the environment. LSTR noted it understands the areas in disclosure ISS took issue with and is working to communicate its programs effectively in the future.
- 10. US Foods Holding Corp. (USFD):** USFD is a foodservice distributor. USFD set up a call to discuss governance and sustainability topics. At the 2025 annual meeting, a non-binding shareholder proposal to provide the right to call special meetings at 15% was approved by shareholders. USFD is engaging with shareholders to help determine the appropriate ownership threshold. USFD prefers a threshold of 25%. We noted our preference would be to support the right to call special meetings down to a 10% threshold. USFD highlighted their improved disclosure on climate change in the 2024 sustainability report. USFD also established a sustainability steering committee in 2024. USFD noted their progress on GHG emissions reduction targets. USFD has reduced Scope 1 and 2 emissions by 16% since 2019 and 23% of suppliers (by emissions) have science-based targets. The bulk of USFD's operational footprint is the use of fuel from the fleet. USFD is transitioning their fleet to lower emitting vehicles and fuels. USFD is also focusing on transportation efficiency. USFD continues to expand their purchasing of onsite PPAs. The sustainability steering committee reviews the cost/benefit of these emission reduction efforts. USFD is working to improve Scope 3 emissions data quality. USFD is using primary data sources. USFD surveys the supply chain and conducts targeted engagements with certain suppliers. USFD assesses their suppliers for responsible sourcing and food quality issues.
- 11. L3Harris Technologies, Inc. (LHX):** LHX provides mission-critical solutions for government and commercial customers. LHX reached out to seek our perspective on potential changes to their compensation programs. LHX received 74% support for the say-on-pay proposal at the 2025 annual meeting. LHX is considering adjustments to the LTI program. We recommended modifying the TSR performance range to align with standard market practices and instituting a vesting cap for negative absolute TSR in performance share units. LHX acknowledged that the target threshold for TSR performance set at the 50th percentile is a common practice among its peers, and we advised maintaining alignment with industry standards. LHX is contemplating the inclusion of a non-financial metric in the STI plan. LHX mentioned that most of their peers incorporate non-financial metrics but requested our feedback on the types we would prefer. We expressed our preference to only include non-financial metrics if they are material to the business. We emphasized that these targets should be quantitative and rigorous. We also recommended keeping the weighting of such metrics at 10% or lower. LHX is considering introducing a non-financial target that aligns with their long-term growth strategy. LHX also flagged a relocation payment that will be reflected in the summary compensation table this year. They have disclosed this payment for the past five years, as it stems from the merger agreement in 2019. LHX inquired how we evaluate executive perquisites. We noted that we typically do not focus on them unless a significant concern arises. We recommended providing a solid rationale if there are any substantial changes in perquisites.
- 12. Applied Materials (AMAT):** AMAT engages in the provision of manufacturing equipment, services, and software to the semiconductor, display, and related industries. AMAT reached out for a shareholder engagement call. We noted AMAT has made good progress on its environmental goals. We asked about the cost of procuring renewable electricity for its operations, specifically the 100% renewable electricity used in the U.S. and the 73% sourced globally. AMAT noted it has made meaningful progress on Scope 3 emissions and highlighted ongoing global grid decarbonization efforts. However, AMAT noted it continues to face challenges in sourcing renewables in areas such as Singapore, Taiwan, and South Korea. AMAT also acknowledged the need for significant investments outside the U.S. to support renewable energy procurement and continues to explore the use of RECs. AMAT noted it has established a taskforce, which has identified cost-effective strategies to address Scope 1 and Scope 2 emissions. These recommendations will be presented to leadership soon, with updates expected in future reporting. We discussed the 700kW

on-site solar array installed at AMAT's Tainan facility and asked how AMAT manages forced labor risks in its solar panel supply chain. AMAT noted that it has strengthened its RBA efforts and formed a cross-functional team to oversee this function. Lastly, we noted we were pleased to see AMAT's disclosure of whistleblower statistics in its 2024 report, specifically the total number of reports received. We encouraged AMAT to enhance transparency by also disclosing the number of substantiated reports.

- 13. Wex Inc. (WEX):** WEX operates a commerce platform. WEX reached out for a shareholder engagement call. We noted WEX has not historically set formal reduction targets but has a clear commitment to measuring and reducing emissions over time. We asked if WEX has plans to establish specific GHG emissions and energy reduction targets in the future and if it has considered aligning targets with SBTi. WEX noted it is compliant with regulatory requirements in all places it conducts business. Its primary focus has been on Europe and California. WEX noted it has good systems in place to measure GHG emissions but at the moment do not have plans to set specific targets. WEX also noted its offices are LEED certified. We noted WEX has made significant progress since 2019, in reducing its data center emissions, in part due to consolidation efforts. We also encouraged WEX to consider reporting on environmental metrics such as water consumption and waste generation. WEX noted our suggestion. We noted WEX has good disclosures around employee training efforts but encouraged WEX to further enhance transparency by including usage data. We also encouraged WEX to disclose whistleblower lines statistics, including the number of reports received, types of issues reported, how many were substantiated, and any resulting disciplinary actions. WEX noted both of our suggestions. Lastly, we'd encourage WEX to consider adopting an independent Chair of the Board. WEX noted it reviews its governance structure often and believes its current structure is what's best for the business.

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

- 1. EnerSys (ENS):** ENS engages in the provision of stored energy solutions for industrial applications. We sent a proxy letter regarding our votes against incumbent members of the Board due to the classified Board structure. ENS responded and set up a call to discuss. We noted our preference for a declassified Board and removal of the supermajority vote standard to amend the bylaws. ENS reviews the governance structure annually and decided to not change the classified structure at this time. ENS can understand the merits of an annual election of directors, but is very serious about ensuring the Board is composed of various backgrounds and are independent. ENS noted in the past two years, 70% of the Board has been refreshed. ENS will let the Board know our thoughts and understand that a classified Board is the minority. We noted the supplier oversight processes are good, but ENS needs to disclose the number of supplier audits undertaken, the results of the audits and any corrective actions taken. ENS will relay our suggestion directly to the sustainability team. We noted the lack of the use of renewable energy sources. Almost all electricity is from non-renewable grid sources, which seems almost impossible as most grid providers now have some percentage of electricity generation from renewables. ENS will see if they can count more as renewable. We asked when ENS expects to provide updated Scope 3 emissions disclosure. ENS noted it is still in progress. We noted 20% of the annual incentive is related to non-financial objectives. One of the metrics is creating a climate action plan. We asked what percentage of it is related to this metric and what was the respective payout. ENS noted the six metrics are evenly weighted so it would be 1/6th and was paid out in full. ENS noted the climate action plan is related to producing the climate report. ENS will look to remove this metric and agreed that it could be replaced with something more rigorous like an emission reduction target.
- 2. Reservoir Media, Inc. (RSVR):** RSVR operates as a music publishing company. RSVR responded to our proxy letter regarding our votes against all director nominees due to the classified Board structure and supermajority vote requirement, and concerns about the persistence of material weaknesses in the company's internal controls in consecutive years. RSVR shared our letter with the Board.
- 3. e.l.f. Beauty, Inc. (ELF):** ELF a beauty company, provides cosmetics and skin care products. We sent ELF a proxy letter regarding Boston Partners' withheld votes from all director nominees because the company maintains a classified Board structure and a supermajority vote requirement to enact certain changes to the governing documents. ELF responded to our letter and set up a call to discuss. We noted the classified Board structure limits shareholders' rights in electing directors. ELF noted our preference and emphasized it is something its Board reviews annually. Currently, it feels good about its Board compensation, and noted the gender and racial/ethnic diversity on its Board, as well as independence is strong. ELF believes its historical context is important to consider when discussing the classified Board structure, citing prior activist involvement.

Proxy Voting:

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

1. **Mr. Cooper Group Inc. (COOP):** Voted against the golden parachutes proposal because excise tax gross-ups represent a significant cost to shareholders and are no longer a common practice.
2. **Under Armour, Inc. (UAA):** Withheld votes from three governance committee members because the company maintains a multi-class structure that is not subject to a reasonable time-based sunset provision. Withheld votes from a director nominee because his ownership of the supervoting shares provides him with voting power control of the company.
3. **Muyuan Foods Co., Ltd. (BD5CJX):** Voted against all nine proposals because the terms in the employee stock purchase plan are not in the best interest of shareholders.
4. **NetApp, Inc. (NTAP):** Voted against the equity plan because the plan cost is excessive; the plan permits liberal recycling of shares; and the plan allows broad discretion to accelerate vesting. Voted for the shareholder proposal to remove the one-year holding period requirement for shareholders to call a special meeting.
5. **Steel Authority of India Limited (500113-IN):** Voted against the proposal to accept financial statements and statutory reports due to the auditors' qualified opinion that raises concern over the accuracy and integrity of the company's financial statements. Voted against seven non-independent directors because the Board is less than one-third independent. Voted against a director nominee because his limited leadership/Board experience raises concerns on his potential contribution to the Board. Voted against a director nominee due to overboarding concerns and his status as a permanent Board member. Voted against two director nominees because they are associated with a political party and the presence of directors with political background or affiliation with a political party can act as an impediment for independent and objective thinking of the Board.
6. **Take-Two Interactive Software, Inc. (TTWO):** Voted against the equity plan because the disclosure of change-in-control vesting treatment is incomplete; the plan permits liberal recycling of shares; and the plan allows broad discretion to accelerate vesting.
7. **John Wiley & Sons, Inc. (WLY):** Withheld votes from a governance committee member because the company maintains a multi-class structure that is not subject to a reasonable time-based sunset provision.
8. **Alibaba Group Holding Limited (9988-HK):** Voted against the approval of auditors due to the significant concerns raised by regulatory authorities regarding PwC Zhong Tian's conduct and its suitability to act as auditor of the company.
9. **FedEx Corporation (FDX):** Voted against say-on-pay because a problematic pay practice has been identified with respect to a former NEO's separation arrangements. Specifically, former NEO Krishnasamy will receive large separation payments and his outstanding equity will be accelerated for an employment separation that does not appear to be involuntary. Voted for the shareholder proposal to require an independent Board Chair.
10. **Andrada Mining Ltd. (ATM-GB):** Voted against the acceptance of financial statements and statutory reports because there is insufficient independent representation on the Board; the date of the AGM is beyond the recommended time frame for UK incorporated public companies; and a non-executive director received an additional remuneration during the year under review. Furthermore, the independent auditors included a material uncertainty statement in their report regarding the Group's ability to continue as a going concern. Voted against the re-election of a director nominee because he is non-independent and the Board is less than majority independent, and he is a member of a key committee. Voted against the authorization to issue equity pursuant to the share option schemes because the company did not disclose the complete terms of the current share option schemes, which impedes complete assessment of the impact of the plan.

Boston Partners voted the following number of proxies:

Number of meetings: 37

Number of issues: 302

Index of Acronyms:

AGM: Annual General Meeting	PPAs: Power Purchase Agreements
CDP: Carbon Disclosure Project	PSU: Performance Share Units
CSR: Corporate Social Responsibility	RBA: Responsible Business Alliance
CSRD: The Corporate Sustainability Reporting Directive	RECs: Renewable Energy Certificates
EAF: Electric Arc Furnace	REIT: Real Estate Investment Trust
ESG: Environmental, Social, and Governance	ROIC: Return on Invested Capital
FCF: Free cash flow	RSUs: Restricted Stock Units
GHG: Greenhouse Gas	SAF: Sustainable Aviation Fuel
GRI: Global Reporting Initiative	SASB: Sustainability Accounting Standards Board
ISS: Institutional Shareholder Services Inc. is a proxy advisory firm.	SBTi: Science Based Targets initiative
LEED: Leadership in Energy and Environmental Design	SBTs: Science-Based Targets
LNG: Liquefied Natural Gas	STI: Short Term Incentive
LTi: Long Term Incentive	STIP: Short Term Incentive Plan
LTIP: Long Term Incentive Plan	TCFD: Task Force on Climate-Related Financial Disclosures
NEO: Named Executive Officer	TSR: Total Shareholder Return
PCAF: Partnership for Carbon Accounting Financials	

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