

# 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 December 2025.

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

1. **Alarm.com Holdings, Inc. (ticker symbol ALRM):** ALRM provides various IoT and solutions for residential, multi-family, small business, and enterprise commercial markets. We emailed ALRM following research and encouraged ALRM to publish a sustainability report in accordance with GRI and SASB standards.
2. **First Watch Restaurant Group, Inc. (FWRG):** FWRG is a Daytime Dining concept serving made-to-order breakfast, brunch and lunch. We emailed FWRG following research and encouraged FWRG to publish a sustainability report in accordance with GRI and SASB standards, encouraged FWRG to remove the classified board structure, and asked where the majority of FWRG's suppliers/vendors are located and asked if FWRG conducts any supplier audits and if so, what are the results of these audits.
3. **Kennedy-Wilson Holdings, Inc. (KW):** KW operates as a real estate investment company. We emailed KW following research and encouraged KW to eliminate the classified Board structure, adopt an independent Chair, establish environmental targets, and discuss supplier oversight.
4. **CF Industries Holdings, Inc. (CF):** CF engages in the manufacture and distribution of nitrogen fertilizer. We emailed CF following research and asked what the cause was of the employee fatality in 2024 and asked if CF plans to provide more detailed diversity disclosure.
5. **Match Group, Inc. (MTCH):** MTCH engages in the provision of digital technologies. In November 2-25, we emailed MTCH following research and asked if MTCH plans to publish an updated sustainability report. MTCH responded to our email in December 2025 and noted its fiscal year 2025 Impact Highlights report and noted MTCH plans to provide some more details on its environmental disclosure in the upcoming months.
6. **General Dynamics Corporation (GD):** GD is a global aerospace and defense company. We reached out to GD following our annual sustainability research review and offered to set up a call. We noted our preference for year-over-year safety data disclosed so we can see if the increase was minor or significant and encouraged GD to disclose the reason for the increase if applicable. GD noted they provide some trend data but can explore additional ways to make it clear. We asked if GD's environmental target to reduce own GHG emissions by 40% by 2034 will require significant capital expenditure. GD noted that each business unit sets their own direction and develops their own plans so the expenditure and roadmap will vary. We noted our preference for information on the materiality of sustainability initiatives. GD noted to the extent that any projects or efforts on the sustainability front are material they will be included in other SEC disclosures. We noted the individual strategic and operational performance represents 30% of the STI and one of

the metrics within is human capital management and ESG management. We asked about the specific goals tied to the metric and how they are measured to result in a payout. GD noted some goals have a quantitative component but a lot of them are qualitative. GD noted for certain human capital management goals they are more qualitative. We noted our preference for specific, measurable and qualitative goals when they relate to ESG. We also discussed diversity disclosure. GD takes appropriate action consistent with administrative priorities and its business operations.

- 7. Cross Country Healthcare, Inc. (CCRN):** CCRN provides talent management and other consultative services for healthcare clients. We emailed CCRN following research and encouraged CCRN to publish an updated sustainability report that includes improved disclosure on GHG emissions, supplier audits, and climate-related risks and opportunities. We also encouraged CCRN to adopt an independent Chair. CCRN responded to our email and shared our feedback with the management team.
- 8. Biogen, Inc. (BIIB):** BIIB is a bi pharmaceutical company. We emailed BIIB following research in November and a call commenced in December. We encouraged BIIB to disclose data to back up the use of its professional development programs by employees. BIIB will disclose the number of employees who have participated in these programs in the next report as a result of our suggestion. We noted BIIB has a tenure policy where the Board will seek to maintain an average Board tenure of ten years or less for its independent directors. We asked how they decided on this. BIIB will get back to us with specifics. We noticed BIIB's safety rates have increased each year. In addition, there was 1 employee fatality in 2024. We asked about the cause of the increase in TRIR and the employee fatality. BIIB noted the fatality is still under investigation. BIIB has looked at what led to the increase in TRIR which were several factors. BIIB will disclose what they can in the next report and assured us they have taken additional steps as a result of the increase. BIIB noted its TRIR is below the industry average.
- 9. NewtekOne (NEWT):** NEWT operates as the bank holding company for Newtek Bank, National Association that provides various business and financial solutions. We reached out to NEWT following research and encouraged NEWT to publish a sustainability report in accordance with GRI or SASB standards. NEWT responded and set up a call to discuss. NEWT noted that given the nature of its business as a financial holding company, its direct environmental footprint is relatively small, particularly as the workforce is fully remote. NEWT emphasized its role in community lending and support for small and medium-sized businesses (SMBs). In fiscal year 2024, NEWT ranked as the second-largest SMB lender in the U.S., with approximately 30% of its lending directed toward women- and minority-owned businesses across all 50 states. While NEWT does not have specific quotas, it maintains a non-discriminatory lending practice that significantly contributes to job creation, supporting an estimated 110,000 jobs. NEWT emphasized it does not engage in oil, gas, or coal lending. NEWT maintains minimal exposure to convenience stores and gas stations, aligning its portfolio away from carbon-intensive industries. On human capital, NEWT highlighted strong internal diversity, with women representing 50% or more of its workforce. NEWT does not have any immediate plans to publish a sustainability report but will take back our feedback and assess ways it could provide some of this information in its disclosures.
- 10. OGE Energy Corp. (OGE):** OGE operates as an energy services provider. We emailed OGE following research and asked when OGE is planning on publishing an updated sustainability report. We also encouraged OGE to adopt an independent Chair.
- 11. Solventum Corp. (SOLV):** SOLV is a healthcare company. We emailed SOLV following research and encouraged SOLV to report supplier audit data. We also asked if SOLV has made any progress towards eliminating the use of PFAS in its products. SOLV responded to our email with an in-depth response to our questions. Regarding supplier audit data, SOLV expects to include more information about the supplier audit process in the next sustainability report. SOLV's progress in reducing PFAS in its products is guided by its Management Substance Policy and Process. This strategy encompasses the identification and evaluation of chemicals of interest, confirmation of safety and compliance, risk assessment, and the exploration of PFAS alternatives. By the end of 2025, SOLV reduced the number of products containing PFAS by approximately 63% from baseline levels through reformulation, product discontinuation, and divestiture. Additional reductions are planned for 2026. Currently, PFAS use is primarily limited to industry-standard fluoropolymers in third-party purchased components. SOLV's goal is to eliminate PFAS from products wherever feasible, while adhering to the "essential use" principle. This principle recognizes that certain applications of PFAS may be necessary for health, safety, or critical societal functions when no viable alternatives exist.

**12. The Baldwin Insurance Group, Inc. (BWIN):** BWIN operates as an independent insurance distribution firm that delivers insurance and risk management solutions. We emailed BWIN following research and encouraged BWIN to publish a sustainability report in accordance with GRI and SASB standards as it contains the type of information we usually request.

**13. Fiserv, Inc. (FISV):** FISV provides payments and financial services technology services. We emailed FISV following research and encouraged FISV to disclose training statistics, to report on supplier audits, and encouraged FISV to disclose complaints made on its whistleblower line.

**14. Freeport McMoRan, Inc. (FCX):** FCX engages in the mining of mineral properties. We emailed FCX following research and asked FCX about its ESG metrics tied to executive compensation.

**15. Generac Holdings, Inc. (GNRC):** GNRC manufactures and distributes various energy technology products and solutions. We reached out to GNRC following research and asked to set up a call to discuss sustainability. Our primary discussion areas were regarding corporate governance, environmental roadmap, and supply chain oversight. We noted our proxy letter from the most recent AGM, as GNRC maintains a classified Board, the combined CEO/Chair role, and continues to lack of shareholder rights to call special meetings or act by written consent. GNRC acknowledged this feedback and asked for a copy of the proxy letter, which we forwarded following the call. GNRC noted specific public emissions targets are not currently in place. However, GNRC internally evaluates its energy intensity metrics as GNRC believes this to be the most appropriate measure. GNRC provided its first TCFD disclosure last year on a qualitative basis and confirmed that a climate scenario analysis has recently been completed. We shifted to supply chain oversight. GNRC requires suppliers to sign a code of conduct and maintains oversight through auditing processes. We encouraged GNRC to disclose the results of audits. Finally, we discussed diversity and human capital metrics. GNRC previously disclosed EEO-1 data but noted that this was removed from public reporting due to their status as a federal contractor. We also encouraged GNRC to provide additional disclosure on its professional development offerings, including average training hours per employee. GNRC noted our suggestions and will look into including these metrics, if possible in the future.

**16. ESAB Corp (ESAB):** ESAB engages in fabrication technology and gas control solutions. We emailed ESAB following research and encouraged ESAB to disclose diversity of its workforce and management including the percentage of women and racial/ethnic minorities, to disclose data to back up the use of its professional development programs by employees, to disclose climate change risks and opportunities in accordance with TCFD or CDP, asked what progress has been made towards its environmental goals and what the cost is to meet these goals and what the results are of third-party due diligence screening conducted on suppliers and if any corrective actions were implemented.

**17. Avolta AG (AVOL):** AVOL operates as a travel retailer company. We emailed AVOL following research and encouraged AVOL to adopt an independent Chair and to disclose supplier audit data.

**18. Barrick Mining Corp. (B):** B engages in the production and sale of gold, copper, and related activities. We emailed B following research and encouraged B to adopt an independent Chair, to disclose the number of whistleblower line reports substantiated and if any resulted in disciplinary action/termination, and to disclose the results of the human rights assessments and any corrective actions taken. We asked if the success of B's GHG emission reduction targets is reliant on the increased efficiency of the thermal generators or switching to alternative sources of electricity. We also asked if any assets are located on or near indigenous land and if so, how does B communicate 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 and did Indigenous groups receive any compensation payments as a result. We also encouraged B to disclose more detailed environmental data including year-over-year energy usage, and waste usage from tailings including volume of tailings material produced and amount of waste rock mined. Lastly, we asked what the cost is to meet B's emission reduction targets.

**19. ICF International, Inc. (ICFI):** ICFI engages in the provision of professional services and technology-based solutions to government and commercial clients, including management, marketing, technology, and policy consulting and implementation services. We emailed ICFI following research and requested a copy of the latest sustainability report.

**20. Diodes Incorporated (DIOD):** DIOD manufactures and supplies application specific standard products in the broad discrete, logic, analog, and mixed-signal semiconductor markets. We emailed DIOD following research and encouraged them to adopt an

independent Chair, set SBTi-approved targets, and report on the results of supplier audits. We also asked if DIOD has considered becoming a member of the RBA in some capacity and what has held DIOD back from becoming a member. We also asked why DIOD decided to include an ESG metric in its annual bonus related to the social and environmental scores provided by ISS and asked if customers are demanding high ISS scores.

**21. ABM Industries, Inc. (ABM):** ABM engages in the provision of facility maintenance, engineering and infrastructure solutions. We emailed ABM following research and asked for an update on the following goals: plans to reach 100% renewable electricity across its global operations by 2025 and aims to screen all suppliers by 2025 and further centralize its supplier oversight program.

**22. Zoomlion Heavy Industry Science & Technology Co., Ltd. (1157-HK):** 1157-HK engages in the research, development, manufacture, and sale of construction and agricultural machinery in the People's Republic of China and internationally. We emailed 1157-HK and encouraged 1157-HK to adopt an independent Chair, and asked if any suppliers are located in the Xinjiang region, if any energy is from renewable sources, and if 1157-HK identifies climate risks and opportunities in accordance with CDP or TCFD.

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

**1. Carlyle Group Inc. (CG):** CG is a global investment firm. CG set up a call to discuss corporate governance and sustainability matters. We reiterated our preference for an independent Chair. The Board declassification process will be complete as of the 2026 annual meeting. CG has a 90% supermajority vote requirement to amend the charter. In 2024, the management proposal to eliminate the supermajority vote requirement received 86% support of outstanding shares. We encouraged CG to bring forward this management proposal again in 2026. CG noted that this is on the Board's radar, and CG will communicate our preference to the Board. CG has a net zero by 2050 target for direct investments. In the near-term, CG is setting decarbonization goals for heavy emitters. CG held a decarbonization boot camp for its portfolio companies. CG is working with them to help measure and reduce emissions in a profitable way. CG aims for all new majority-owned companies in buy-out funds to set Paris-aligned targets within two years of ownership. CG noted that many customers require decarbonization targets to qualify for RFPs. CG is also focusing on climate risk in its portfolio. CG is preparing to comply with California climate regulations. CG is conducting a bottom-up portfolio assessment by working with a consultant to conduct forward-looking climate scenario modeling. CG is partnering with investment teams to include climate modeling in the diligence process. CG is working with management teams at portfolio companies to mitigate climate risk.

**2. Wells Fargo & Company (WFC):** WFC is a financial services company, provides diversified banking, investment, mortgage, and consumer and commercial finance products and services. WFC reached out for a shareholder engagement call. We noted that WFC removed several historical sustainability reports from its website, while some data and disclosures remain available on the sustainability page. We also noted that, in February, WFC announced it would discontinue its sector-specific interim 2030 financed-emissions targets and its goal to achieve net-zero financed emissions by 2050. WFC will maintain its 2030 sustainable finance goal, its 2030 operational sustainability goals, and its 2050 target for its own operational emissions. We asked whether WFC plans to continue publishing an annual sustainability report and asked for additional details on future sustainability reporting and targets. WFC noted it is evaluating next steps for its reporting and targets and cited updated operational data available on its website. We reiterated our request for WFC to disclose whistleblower-line statistics, and WFC acknowledged the suggestion. We also encouraged WFC to continue disclosing EEO-1 diversity data and to provide data on available professional development programs. Lastly, WFC noted leadership changes, including the combination of the CEO and Chair roles. We reiterated our preference for an independent Chair.

**3. Zebra Technologies Corporation (ZBRA):** ZBRA provides enterprise asset intelligence solutions in the automatic identification and data capture solutions industry. ZBRA reached out for a shareholder engagement call. We asked about Board tenure, noting that ZBRA has five directors with over 11 years on its Board, including its lead independent director who has served for 34 years. ZBRA highlighted the Board refreshment efforts over the past five years, which included adding four new directors and completing a CEO succession. ZBRA stated that its committee evaluates Board composition holistically to ensure diversity of skill sets and robust oversight. The company also noted several changes in the Chairs of its Board committees, including a change in the NomGov Chair position, and confirmed that it works with a third party to conduct Board evaluations. ZBRA emphasized the Board's comprehensive oversight of risk management, with a focus on evolving strategic matters such as emerging technologies, including

AI. We reiterated our preference for Board declassification, which we have consistently discussed. ZBRA also highlighted its equity compensation plan and mentioned that it is considering an equity compensation plan proposal for its 2026 AGM, though this is still in development.

- 4. TechnipFMC plc (FTI):** FTI engages in energy projects, technologies, systems, and services businesses. FTI reached out for a shareholder engagement call. We noted corporate governance is shareholder-friendly but would improve with an independent Chair. FTI acknowledged our preference but highlighted the strength of its lead independent director role. We noted that ESG metrics were incorporated into executive compensation (25% weighting) through the 2024–2026 Sustainability Scorecard. FTI has decided to remove these metrics and instead embed them into its strategic objectives, while maintaining the scorecard goals. We noted that FTI aims to increase renewable energy usage to 60% by 2026 and, in 2024, achieved 47% renewable energy consumption across all workplaces. FTI stated it has been successful in increasing renewable energy usage and remains on track to achieve its 2026 goal. FTI will continue to utilize hydroelectric power and solar capabilities. We also noted that supplier oversight is well managed with robust programs in place, but encouraged FTI to disclose audit results. FTI explained that it takes a risk-based approach and completes a risk-ranking assessment of its supply chain annually. This approach includes desk audits and follow-ups based on those results. FTI also noted that it self-audits its own facilities. Lastly, we encouraged FTI to disclose whistleblower line statistics. FTI emphasized its robust code of business conduct and training programs that promote awareness of its whistleblower line, EthicsPoint. Employees have three different ways to report concerns, and FTI believes it has built strong awareness of the hotline.
- 5. Travelers Companies, Inc. (TRV):** TRV engages in the provision of commercial and personal property and casualty insurance products and services. TRV set up a call to discuss corporate governance, executive compensation, and sustainability. Following the low say-on-pay result in 2024, TRV engaged with shareholders and made changes on the margins to the pay program, resulting in 95% support in 2025. TRV's short-term incentive remains discretionary; however, the financial performance metrics are the main drivers of the payout. TRV implemented a cap on the short-term bonus for NEOs. The compensation committee added a relative TSR modifier to the LTI, which can increase or decrease payout by 20 percentage points based on performance against the S&P 500 Financial Index. We reiterated our preference for an independent Chair. TRV noted that the Board prefers flexibility to make that decision. TRV has had an independent Chair for periods of time during CEO transitions. The Board has undergone significant refreshment over the past five years. TRV is staying the course with their long-term view on sustainability. TRV looks for overlap between sustainability and creating shareholder value. At the 2026 annual meeting, TRV may seek additional shares for their stock incentive plan. TRV noted that approximately 25% of employees receive equity as a portion of their annual compensation.
- 6. Coca-Cola Europacific Partners plc (CCEP):** CCEP engages in the distribution and sale of non-alcoholic ready-to-drink beverages. CCEP set up a call to discuss the proposed changes to the remuneration policy. CCEP increased the maximum LTIP opportunity from 500% to 600% of salary, with a three-year performance period and additional holding period of two years. CCEP increased share ownership requirements from 300% to 500% of salary, in line with U.K. market practice. CCEP removed an outdated pension cap for executives to provide allowance of 12% of salary, in line with U.K. market practice. CCEP noted that all shareholders have been supportive of the changes. We shared that we do not have any concerns with the changes at this time.
- 7. Banco Bilbao Vizcaya Argentaria SA (BBVA-ES):** BBVA-ES offers consumer and mortgage loans, private banking, asset management, insurance, mutual funds, and securities brokerage services. BBVA-ES set up a call to discuss sustainable finance and corporate governance. Sustainable finance is one of the six pillars of BBVA-ES's strategic plan. BBVA-ES aims to achieve 700 billion Euro in new sustainable finance from 2025 to 2029. BBVA-ES has a goal to eliminate exposure to coal customers by 2030 in developing countries and by 2040 globally. BBVA-ES noted that this target will be more difficult to achieve in emerging markets due to BBVA-ES's footprint. In developed countries, BBVA-ES acknowledged the challenges from increasing energy demand. However, BBVA-ES has not had any issues with coal phase-out targets in Europe. In Spain, BBVA-ES has 2030 decarbonization targets by sector for its portfolio. BBVA-ES highlighted potential challenges in the cement and real estate sectors. Recently, BBVA-ES has focused on developing a transition finance methodology. BBVA-ES regularly refreshes the Board with one or two refreshments each year. Directors serve three-year terms. Five directors' terms expire prior to next year's annual meeting. The nominations committee is currently in a director search process with a focus on expertise in the Mexican market, and with a longer-term view of identifying a new audit committee Chair for 2027. The remuneration committee is required by law to submit a new remuneration policy every three years. The current policy expires prior to next year's annual meeting. BBVA-ES is planning on increasing the relative weight

of the long-term incentives. The current breakdown is 65% short-term incentives and 35% long-term incentives. BBVA-ES aims to rebalance closer to a 50/50 split between the two. BBVA-ES is also focusing on integrating financial and non-financial risk under the same risk management structure.

- 8. Huron Consulting Group Inc. (HURN):** HURN engages in the provision of technology, data, and analytics solutions. HURN reached out to engage as part of their shareholder outreach program. We asked the cost, if any, to launch a campaign to reach retail investors to support the proposal to declassify. HURN noted 17% of shareholders are retail holders and most are internal to the company. Therefore, the cost to declassify was very minimal. Any costs would be small legal type expenses and not material. We asked about the plan to meet carbon neutrality for Scope 1 and 2 goal, including the use of renewables and associated costs. HURN noted they don't own or lease any corporate aircraft and have minimal office space around the globe. HURN continually evaluates the cost of offsetting. In 2023, HURN successfully offset Scope 1 and 2 emissions in collaboration with climate vault. In 2024, the costs significantly increased and HURN decided to not offset emissions and instead use more renewable energy. It didn't fully neutralize emissions in 2024 but was the right strategic move to avoid high costs. We asked about the grow people metric in the STI. HURN noted the metric is quantifiable and made up of aspects like attrition, engagement, community building and maintain being an employer of choice. It targets the client facing managing directors and principles that drive the growth of the business.
- 9. Flowserv Corporation (FLS):** FLS designs, manufactures, distributes, and services industrial flow management equipment. FLS reached out for a shareholder outreach call. We noted that FLS has good supply oversight programs in place, including supplier audits conducted on a three-year rolling cycle. These audits cover technical compliance, health and safety, quality management, compliance with forced and child labor regulations, and proper use of personal protective equipment. We encouraged FLS to report the results of these audits. FLS acknowledged our suggestion and highlighted its robust policies, including a human rights policy, as well as internal training on human rights and forced labor to ensure associates are equipped with the necessary knowledge. We also encouraged FLS to disclose workforce diversity statistics. FLS acknowledged this suggestion and emphasized diversity at the executive and Board levels. Next, we encouraged FLS to disclose usage statistics for its professional development programs. FLS noted our suggestion and provided additional information on programs available to associates, including the Operational Excellence Academy, Commercial Excellence Academy, and Quality Management Academy. We then discussed ESG metrics in executive compensation. ESG metrics and goals are incorporated into executive compensation through a strategic goals payout modifier in the annual incentive plan for each ELT member, including the CEO. This modifier allows for adjustments of payouts by up to ±15% based on achievements relative to key objectives, including ESG goals. FLS does not consider ESG metrics as separate from its strategic business goals, viewing them as foundational to the company and key to its strategy. We noted that we would like to see ESG metrics, if included, tied to the most material items and supported by rigorous, quantifiable targets.
- 10. Allegion plc (ALLE):** ALLE engages in the provision of security products and solutions that keep people safe, secure, and productive. ALLE reached out for an off-season engagement call. We discussed executive compensation. We noted there is a people, environment, and safety scorecard modifier. It could be adjusted downwards by as much as 3%. In 2024, performance was met at target and therefore there was no downward adjustment applied to the NEOs' individual performance scores. We commended ALLE for using a modifier that can only result in a downward adjustment and is tied to quantitative metrics. We asked the cost to meet the 100% carbon-free electricity goal. ALLE noted it is dependent on utility company providers. ALLE does not generate its own power and is not reliant on offsets. ALLE hasn't seen a meaningful cost increase or decrease to using renewables. We noted the incident rate is better compared to the industry average, but asked about the cause of the increase year-over-year. We noted we prefer to see the number of incidents so we can evaluate whether it was a small or significant increase. ALLE noted they prefer to use TRIR but will see if they can add more detail. We sent ALLE examples of issuers who disclose safety results well following the call. We asked where the majority of suppliers are located. ALLE estimates they source approximately 20-25% of cost of goods sold (COGS) from Mexico, less than 5% of COGS from China, and 5-10% of COGS from all other countries. Majority are sourced from the Americas. The suppliers from China are in coastal areas not near Northwest China. ALLE tends to produce in the country where they're selling the product.
- 11. McKesson Corporation (MCK):** MCK provides healthcare services. MCK set up a call to discuss corporate governance and sustainability updates. MCK's Board oversees the modernization and acceleration of the portfolio. MCK has boarded two new directors this past year and has refreshed seven directors over the past four years. MCK has a 12-year tenure policy and a

retirement age of 75 for directors. The Board's Compliance Committee and Audit Committee oversee cyber and AI risks. MCK has an enterprise AI Council at the management level that oversees the use and deployment of AI and establishes AI ethics principles and training. MCK is using AI to strengthen business platforms and improve operational efficiencies. We reiterated our preference for MCK to report whistleblower statistics. MCK's Compliance Committee reviews this data and acts accordingly. MCK's compensation program includes a discretionary downward-only modifier in the STI that assesses non-financial priority areas. We noted our concerns with discretionary sustainability metrics in compensation programs; however, we acknowledged that MCK's downward-only modifier alleviates the risk of discretionarily inflating payouts. MCK has made good progress on SBTi targets, achieving the Scope 3 target two years ahead of schedule. MCK continues to work with suppliers on reducing GHG emissions and setting SBTs. Across the fleet, MCK is accelerating efficiency through route optimization, reducing fuel consumption, and transitioning to low-carbon vehicles. Renewable energy accounts for almost 30% of total energy consumption. We encouraged MCK to report on the financial effect of these sustainability initiatives.

**12. Textron, Inc. (TXT):** TXT operates in the aircraft, defense, industrial, and finance businesses. TXT reached out for a shareholder outreach call. We asked TXT about Board tenure and to discuss upcoming leadership transitions. Effective January 4th, Scott Donnelly will transition to Executive Chair. TXT noted its Board refreshment including three new directors since 2023. TXT noted it is undergoing a significant reporting change by eliminating eAviation as a standalone segment and realigning its activities within other business units. We asked TXT if it intends to set new environmental targets, as its 2025 targets are nearing completion. TXT noted it intends to continue benchmarking its strategy against a 2019 baseline. TXT has achieved a 32% reduction in GHG emissions to date and is targeting a 50% absolute reduction by 2030. Although these targets align with SBTi methodologies, TXT does not currently intend to seek formal SBTi approval. Other environmental priorities include a 30% absolute reduction in waste and 20% intensity-based reductions for energy and water, while Scope 3 remains a strategic focus without firm quantitative targets. Finally, we asked TXT to discuss the integration of ESG metrics in its STIP. TXT noted it has maintained a 5% weighting in its STIP for 20 years. TXT shifted to a qualitative and discretionary model in 2024. This assessment focuses on environmental metrics, safety (TRIR), and human capital management, including talent mobility and engagement scores. We expressed our preference for rigorous, material metrics.

**13. The Weir Group plc (WEIR-GB):** WEIR-GB engages in the provision of engineering solutions. WEIR-GB reached out for a shareholder engagement call. We noted 20% of the annual incentive is related to ESG and has 15 goals within it. We recommended WEIR-GB reduce the number of goals within the metric to a more focused set of goals, preferably 5 or less. We noted our preference for a focus on the most material metrics for WEIR-GB. This would include safety and GHG emission reduction. WEIR-GB noted they are in agreement. At the December Remuneration Committee meeting, WEIR-GB decided to reduce it to 13 metrics in total with the safety percentage of the annual bonus being 5% of the 20%. WEIR-GB noted they had a bad year in 2024 for safety and remained flat in 2025. WEIR-GB added additional safety personnel and have focused on performance. WEIR-GB also mentioned they are not going to walk back on its GHG reduction targets. We understand the cost of meeting its sustainability linked targets in its sustainability linked notes in 2024 has been considered and the impact is not material for both the May 2021 issuance of five-year U.S. \$800m Sustainability-Linked Notes and the June 2023 issuance of five-year £300m Sustainability-Linked Notes. However, we asked about the potential interest rate change. WEIR-GB noted they are not aware of any additional interest rate increase. We asked about potential interest savings from Sustainability-Linked Notes. WEIR-GB noted they will look into it and get back to us. WEIR-GB noted the CEO is being moved to North America from the U.K. Shareholders were concerned with the potential for changes in compensation as his pay is in line with U.K. standards. We asked if WEIR-GB is planning on granting him a one-time retention award. WEIR-GB noted they do not plan on it.

**14. Equitable Holdings, Inc. (EQH):** EQH is a financial services company. EQH set up a call to discuss corporate governance, executive compensation, and sustainability efforts. EQH added one director in January 2025. Two directors are nearing the mandatory retirement age of 75. Succession planning is underway for a smooth transition with overlapping service. At the 2025 annual meeting, the management proposal to provide the right to call special meetings at 15% was approved. EQH does not expect any major governance changes in 2026. The STI consists of four equal weighted metrics, including a strategic initiatives metric that is primarily qualitative. We encouraged EQH to ensure the strategic initiatives targets are quantitative and rigorous. The LTI consists of 60% performance-based shares and 40% time-based shares. EQH is making good progress against its four sustainability pillars

with a focus on creating business value. EQH achieved the goal of halving its corporate real estate footprint with a 67% reduction. EQH is positioned to meet future GHG emissions reporting regulations. EQH works closely with AllianceBernstein to analyze portfolio emissions and review the highest emitting portfolio companies. We encouraged EQH to measure and report portfolio emissions following the PCAF methodology.

**15. Walmart, Inc. (WMT):** WMT engages in the operation of retail and wholesale stores and clubs, eCommerce websites, and mobile applications. WMT reached out for an offseason shareholder outreach meeting. WMT noted affordability is the primary priority for its customers at the moment. WMT is identifying ways to incorporate sustainability without passing costs on to consumers. WMT's customers are financially-constrained, time-constrained, and health-conscious; while many desire sustainability-conscious options, they are often unwilling to pay a premium for them. WMT noted that while sustainability is not top of mind for all customers, many assume WMT is handling the backend work on their behalf. Regarding its operational footprint, WMT's strategy focuses on decarbonizing by market while seeking a competitive IRR for these investments. WMT noted that both onsite and offsite renewable procurement are performing well. While refrigeration technology issues are partially resolved in the U.S. and Canada, WMT continues to seek better solutions for smaller markets. Transportation remains an unsolved challenge, as battery-powered vehicles and the necessary charging infrastructure are not yet available. While WMT previously viewed hydrogen-powered trucks as a viable solution, that is no longer the case. To drive innovation, WMT partners with leading technology companies, allowing them to provide the CapEx while WMT helps scale the technology. Finally, regarding human capital management, WMT noted that its wages remain competitive. WMT is focused on upskilling employees, including training in AI, which has resulted in increased productivity, lower turnover, and higher advancement rates.

**16. Westinghouse Air Brake Technologies Corporation (WAB):** WAB engages in the provision of equipment, systems, and value-added services for the rail industry. WAB set up a call to discuss corporate governance and sustainability strategy. We reiterated our preference for WAB to eliminate the classified Board structure. WAB prefers the continuity and stability provided by the classified Board with its long-cycle business. WAB continues to share our feedback with the Board. WAB has undergone significant director refreshment over the past year. WAB began reporting the number of high-risk suppliers audited as a result of our feedback. We encouraged WAB to report whistleblower line statistics including the number of reports, category of reports, number of substantiated reports, and any disciplinary actions taken. WAB tracks this data and the Board reviews it regularly. WAB continues to work with customers on their decarbonization needs. WAB has seen slower adoption of some new technologies, but customers are still concerned with reducing emissions from fuel consumption. WAB highlighted that they shipped two battery electric locomotives to a mining company in Australia. WAB also partnered with Vale to study a dual-fuel engine capable of running on both diesel and a diesel-ethanol blend. WAB continues to invest 6-7% of sales in R&D and engineering for battery, hydrogen, and biofuel technology. WAB highlighted that improving modernization has a positive ROI. WAB continues to work with customers on the use of biofuels. WAB continues to test hydrogen as another alternative energy technology. WAB's Zero-To-Zero technology is awaiting U.S. approval. This technology allows locomotives to start and stop autonomously with improved fuel efficiency. This technology will provide fuel savings and labor savings for customers. Labor unions and safety concerns have delayed approval.

**17. Synchrony Financial (SYF):** SYF operates as a consumer financial services company. SYF reached out for a shareholder engagement call. We noted that 20% of the annual incentive is tied to strategy and culture, which includes certain E&S-related areas. This was achieved at 200% of target in 2024. This metric is linked to roughly 10 goals. We asked how the committee decides which goals to tie to this metric. SYF noted the Compensation Committee determines these specific goals each January, maintaining a somewhat even weighting between strategic initiatives and cultural metrics, such as SYF's Great Place to Work scores and annual employee survey results. SYF tracks these roughly 10 goals throughout the year and provides a final assessment in December. We recommended SYF narrow its focus down to five or fewer goals to ensure these metrics are both rigorous and material. We reiterated our suggestions for SYF to disclose whistleblower line statistics. SYF noted our suggestion. We also noted that while we recognize SYF's direct environmental footprint is relatively small, we suggested the continued disclosure of operational data, such as renewable energy usage, water consumption, and waste management, where feasible. SYF noted some of the inherent challenges of collecting this data within leased facilities.

**18. eBay Inc. (EBAY):** EBAY is an online commerce company. EBAY set up a call to discuss sustainability and corporate governance topics. EBAY noted that the shareholder proposal to reduce the threshold to call special meetings from 20% to 10% was narrowly

defeated. We expressed our support for the shareholder meeting right down to a 10% threshold. We also noted that EBAY's largest shareholders are passive investors, who would not abuse that right. We asked if EBAY's investment in renewable energy will reduce the estimated financial burden of increasing energy costs. EBAY noted that its VPPAs provide cost savings as a result of EBAY being an early mover in the renewables space. We asked about EBAY's Scope 3 emissions reduction strategy. EBAY noted that the largest contributor to Scope 3 emissions is the shipment of products from sellers to buyers. EBAY is partnering with the major carriers on their sustainability efforts. EBAY also works with policy makers on the advancement of sustainable shipping efforts such as SAF. EBAY set its net zero target in January 2025. Throughout the year, EBAY has worked on its forward-looking climate transition plan, which will be published early next year. EBAY does not expect any major changes to the executive compensation plan. EBAY noted our vote against the equity plan at the 2025 annual meeting. We informed EBAY that our governance committee discussed that proposal prior to the meeting but decided to vote against it due to concerns with dilution.

**19. Andritz AG (ANDR-AT):** ANDR-AT engages in the provision of plants, equipment and services for hydropower stations. ANDR-AT reached out to follow up from our November engagement call. We expressed particular interest in receiving additional information regarding ESG performance conditions. ANDR-AT introduced new ESG performance conditions to cover additional facets of the sustainability roadmap. Under the STI, the focus remains on employees' safety as ANDR-AT will measure performance against the Lost Time Injury Frequency Rate (according to OSHA definition, covering lost time injuries, fatalities, and occupational illness) weighted 15% of target award. Under the LTI, ANDR-AT introduced two equally weighted metrics at 5% of target award each. The first metric measures performance against reduction goals. The second metric measures employees' engagement thanks to a survey that includes a quantitative and a qualitative evaluation, performed by an independent third party, resulting in a measurable score. Targets and achievements will be disclosed in the remuneration report describing how payouts for each scheme were defined and calculated. All targets are derived from financial communication and strategic planning, thus assuring their relevance and consistency with market expectations.

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

- 1. Alpha and Omega Semiconductor Limited (AOSL):** AOSL designs, develops, and supplies power semiconductor products for computing, consumer electronics, communication, and industrial applications. AOSL's CFO sent a letter in response to our proxy letter regarding our votes against the equity plan because the three-year average adjusted burn rate exceeds 3.5%. AOSL noted that they consulted with outside experts and advisors to assist in making the appropriate decisions with regard to the equity plan. AOSL noted that their 3-year average burn rate calculation was 3.2% when accounting for share repurchases upon vesting of RSUs for tax withholding purposes. These repurchased shares are returned to the treasury and will not be added back to the share reserve under the equity plan and will not become available for future grants. Furthermore, AOSL announced on November 13, 2025 that they established a new \$30 million share repurchase program, which allows AOSL to buy back shares from the open market from time to time. AOSL believes this program will further mitigate any dilutive effect experienced by shareholders.
- 2. Matrix Service Company (MTRX):** MTRX provides engineering, fabrication, construction, and maintenance services to support critical energy infrastructure and industrial markets. MTRX responded to our proxy letter regarding our votes against the equity plan due to excessive plan cost, liberal share recycling, and broad discretion to accelerate vesting. MTRX appreciated our feedback and shared it with the Board.

#### **Proxy Voting:**

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

- 1. FirstRand Ltd. (FSR-ZA):** Voted against the remuneration implementation report because the remuneration committee granted the CEO a one-off restricted share award equivalent to ZAR 18 million, in addition to her annual LTI award, with limited rationale.
- 2. BYD Company Limited (1211-HK):** Voted against six proposed amendments to the internal rules and regulations because the company has not specified details and the provisions covered under the proposed amendments.

3. **Heidrick & Struggles International, Inc. (HSII):** Voted against the advisory vote on golden parachutes because outstanding equity vesting is single trigger and performance shares will be deemed earned at maximum level. Additionally, significant concerns are raised regarding excise tax gross-ups that may become payable to the NEOs.
4. **Microsoft Corporation (MSFT):** Voted for the shareholder proposal to report on the risks of operating in countries with significant human rights concerns because shareholders would benefit from increased disclosure regarding MSFT's assessment of the implications of siting data centers in countries with significant human rights concerns.
5. **Frontline plc (FRO):** Voted against five non-independent directors because the Board is insufficiently independent. Additionally, two of the non-independent directors will serve on the remuneration committee that is less than half independent. Voted against two equity issuance proposals because the stock that could be issued represents more than 10% of the current outstanding shares. Voted against the remuneration report due to insufficient long-term vesting and performance period for the long-term part of the variable award, non-executive directors participating in variable remuneration, lack of disclosure of performance metrics, and discretionary nature of the annual bonus.
6. **Palo Alto Networks, Inc. (PANW):** Voted against all director nominees because the company maintains a classified Board structure. Voted against say-on-pay because the CEO's target compensation remains high and is nearly double the total pay of the CEO's peers, with his annual LTI grant value again being increased for fiscal year 2025. In addition, the maximum vesting opportunity in the LTI program remains outsized, and the increase in perquisite tax gross-ups is a growing concern. Voted for the shareholder proposal to declassify the Board.
7. **Open Text Corporation (OTEX):** Voted against the shareholder rights plan because we do not support proposals to ratify a poison pill.
8. **OSI Systems, Inc. (OSIS):** Voted against two compensation committee members and against say-on-pay because the compensation committee demonstrated poor responsiveness to shareholder concerns following last year's low say-on-pay support.
9. **Legacy Education Inc. (LGCY):** Voted against two governance committee members because the governing documents prohibit shareholders' ability to amend the bylaws. Additionally, one of the directors is a non-independent director and serves on a key committee.
10. **Jason Furniture (Hangzhou) Co., Ltd. (BYW5R0):** Voted against seven proposed amendments because the company has not specified the details and the provisions covered under the proposed amendments.
11. **RCM Technologies, Inc. (RCMT):** Voted against the equity plan because the company's use of equity has driven a pay-for-performance misalignment and the equity compensation program is not sufficiently broad-based. Additionally, the plan cost is excessive; the disclosure of change-in-control vesting treatment is incomplete; and the plan allows broad discretion to accelerate vesting. Voted against say-on-pay because total CEO compensation was mainly driven by the grant of outsized equity awards; the majority of the equity awards are subject to individual performance; the specific goals for the performance-based equity awards are not disclosed; and the performance awards were subject to annual performance period.
12. **Legacy Housing Corporation (LEGH):** Voted against two audit committee members for failing to address the material weaknesses in the company's internal controls in consecutive years. Additionally, votes against the Governance Committee Chair are warranted due to the Board's unilateral adoption of a bylaw amendment restricting shareholders' litigation rights, for which no rationale was provided, and given the Board's failure to remove, or subject to a sunset requirement, the supermajority vote requirement to enact certain changes to the governing documents.
13. **PT Waskita Karya (Persero) Tbk (WSKT-ID):** Voted against the proposal to amend the articles of association due to the lack of information provided. Voted against the proposed budget plan for 2026 because the company's financial health for the past two consecutive years has been deemed not healthy. Voted against the proposal to approve the changes in the Boards of the company due to the lack of information provided.

**14. XCMG Construction Machinery Co., Ltd. (BD5CM2):** Voted against the proposal to abolish the Supervisory Board and amend the article of association because the proposed amendments do not provide adequate accountability and transparency to shareholders. Voted against two proposed amendments related to meetings of shareholders and meetings of the Board due to the lack of information provided. Voted against three proposals related to the stock option plan and performance share incentive plan due to concerns related to the proposed performance hurdles.

**15. Contemporary Amperex Technology Co., Ltd. (BHQPSY):** Voted against the proposal to approve the additional cap for provision of guarantee because the company would be taking a disproportionate amount of risks relative to its ownership interest.

**16. Newmark Group, Inc. (NMRK):** Withheld votes from two non-independent directors because the company lacks a formal nominating committee. Withheld votes from two governance committee members because the company maintains a multi-class structure that is not subject to a reasonable time-based sunset provision. Voted against say-on-pay because the CEO's 2024 amended employment agreement continues to provide for excessive severance payments upon a change in control and a guaranteed bonus. Additionally, an unmitigated pay-for-performance misalignment exists as the annual bonuses are largely discretionary, and the CEO's bonus includes a guaranteed bonus from his 2023 employment agreement. Further, the CEO received a large equity grant, the structure of which is overly complex and raises concerns regarding goal rigor and magnitude.

**17. Zymeworks Inc. (ZYME):** Withheld votes from all director nominees because the company maintains a classified Board structure.

**18. RingCentral, Inc. (RNG):** 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. Voted against say-on-pay because the annual bonus lacked clear disclosure of thresholds, maximums, and actual performance; LTI performance was measured over a one-year period; and not all performance targets were disclosed, even retroactively.

**Boston Partners voted the following number of proxies:**

Number of meetings: 37

Number of issues: 309

## Index of Acronyms:

**AGM:** Annual General Meeting

**CapEx:** Capital expenditures

**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.

**ESG:** Environmental, Social, and Governance

**GHG:** Greenhouse Gas

**GRI:** Global Reporting Initiative

**IRR:** Internal Rate of Return

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

**LTI:** Long Term Incentive

**LTIP:** Long Term Incentive Plan

**NEO:** Named Executive Officer

**OSHA:** Occupational Safety and Health Administration

**PCAF:** Partnership for Carbon Accounting Financials

**PFAS:** Per- and polyfluoroalkyl substances

**RBA:** Responsible Business Alliance

**ROI:** Return on Investment

**RSU:** Restricted Stock Unit

**SAF:** Sustainable Aviation Fuel

**SASB:** Sustainability Accounting Standards Board

**SBT:** Science-Based Targets

**SBTi:** Science Based Targets initiative

**STI:** Short Term Incentive

**STIP:** Short-Term Incentive Plan

**TCFD:** Task Force on Climate-Related Financial Disclosures

**TRIR:** Total Recordable Incident Rate

**TSR:** Total Shareholder Return

**VPPA:** Virtual Power Purchase Agreement

## Disclosure

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