

Boston Partners Sustainability and Engagement Policy

Overview: Boston Partners incorporates a sustainability review of holdings into our investment process. A fiduciary must consider all factors that will materially affect the current and future valuation of a holding, including environmental, social and governance factors. Boston Partners' invests in well managed issuers with a catalyst for future growth. Well managed issuers consider sustainability to avoid reputational and regulatory risk, to be a good corporate citizen and to capitalize on growth opportunities.

Organizational Structure: Boston Partners' investment process is led by the Chief Executive Officer/Chief Investment Officer and the Director of Research. Sustainability analysis is provided by the Sustainability and Engagement Team led by the Director of Sustainability and Engagement. The Sustainability and Engagement Team reports to the Chief Executive Officer and coordinates with the Director of Research for its sustainability analysis. Proxy voting is managed by the Governance Committee and engagement is undertaken by the Sustainability and Engagement Team. Boston Partners is a signatory to the United Nations Principles for Responsible Investment.

Incorporation of Sustainability into the Investment Process: Boston Partners' investment process has always stressed investment in issuers with good fundamental characteristics, including sustainability, environmental, social and governance factors. The investment process has three steps: quantitative screening, fundamental research and portfolio management.

- (a) Quantitative Screening:** The initial step in the investment process is a quantitative screening of the investment universe based on many factors. Inputs to our scoring models include certain proprietary sustainability considerations:
1. *Capital Acquisition and Efficiency* which tries to capture the degree to which the company sustainably manages resource utilization and supply chain management;
 2. *Management Signaling* which indicates governance practices surrounding disclosure, stakeholder engagement and shareholder welfare; and
 3. *Sustainable Growth* which measure how efficiently management uses internal resources to minimize its environmental footprint and reduce dependence on and absorption of external resources.

- (b) Fundamental Research/ Sustainability and Engagement Team:** The next step in the investment process is an in-depth review by the fundamental analyst team of each of the issuers generated by the quantitative screening process. From various sources, the fundamental analysts have sustainability research available to them to consider as part of their research process. In addition, the Sustainability and Team Engagement provides to the fundamental analyst team an in-depth review of the sustainability issues for inclusion in the analyst's issuer assessment and may use such information for further dialogue with the issuer's representatives at investor meetings.

(c) Portfolio Management. Portfolio managers assemble a portfolio of securities from among the issuers recommended by the fundamental analyst team. Portfolio managers are provided sustainability information about their portfolios periodically.

Sustainability Research Process: The Sustainability and Engagement Team undertakes original research into issuers looking at all available information including issuer documents such as the annual report, proxy, website and corporate responsibility report and any other disclosures. The Sustainability and Engagement Team also does an extensive search for any reports or stories about the issuer regarding anything sustainability related including both new products and services or opportunities, any fines or litigation occurring within the preceding five years and any reputational information including customer and employee reviews. The Sustainability and Engagement Team does not use external research as a primary basis for issuer assessments.

Sustainability Factors: Boston Partners' sustainability research incorporates the following considerations about an issuer:

1. *Does the issuer provide products or services that improve the sustainability of the world?* Everything from giant carbon sequestration equipment to new-age ball bearings that improve fuel efficiency are considered.
2. *Is corporate governance shareholder friendly?*
 - a. How many Directors are independent?
 - b. Is the Board Chairman independent?
 - c. Is there a comprehensive code of ethics?
 - d. Is there a whistle blower hotline manned by a third party and does the issuer report on whistle blower claims annually?
 - e. Do shareholders have to act by written consent, call a special meeting or nominate Directors?
 - f. Is the Board classified?
 - g. Are there unequal voting rights among shareholders?
 - h. What is the diversity of the Board?
3. *Is sustainability ingrained in the corporate process?*
 - a. Is there sustainability disclosure and does it use a recognized standard such as GRI, SASB or TCFD?
 - b. Who is responsible for sustainability including Board oversight, committees, officers and staff? Is there sufficient staff and funding?
 - c. Is compensation dependent on sustainability factors and, if so, for which positions?
 - d. Does the issuer commit to the UN SDGs or other international conventions?
 - e. Does the issuer report to other organizations such as the CDP?

4. *How well are employees valued?*
 - a. What is the gender and ethnic diversity of the workforce in total and at various leadership ranks, particularly compared to competitors in the same industry and what does that say about the issuer's commitment to a diverse workforce?
 - b. What programs and commitments has the issuer made to improve diversity?
 - c. What training is provided for employee development separate from required compliance or safety trainings? Do the employees use the training opportunities provided?
 - d. What are the employee ratings reported by both Glassdoor and Indeed.com and what do they suggest about issuer management?
 - e. What safety programs exist and how effective are they?

5. *What is the effect on the environment?*
 - a. What are the issuer's goals for both the near and long term?
 - b. What has been the trend in GHG emissions and GHG intensity?
 - c. What has been the total energy usage and energy intensity?
 - d. Is there a commitment to renewable energy and what portion of the energy used is currently from renewable energy?
 - e. What is the level of investment needed to improve the issuer's energy usage and GHG emissions?
 - f. What is issuer's current approach to waste and the circular economy; what percentage of waste is recycled, sent to landfill or incinerated?
 - g. Which of the issuer's operations are in water stressed areas?
 - h. What has been the issuer's water usage, water intensity and water sources?
 - i. Do the issuer's operations affect any biodiversity locations and, if so, what are the issuer's policies regarding biodiversity protection?

6. *What is the oversight of suppliers?*
 - a. Does the issuer have a policy regarding the sustainability obligations of its suppliers?
 - b. Does the issuer audit the sustainability programs of its suppliers and, if so, how many audits are conducted annually, by whom and what were the results?
 - c. Does the issuer belong to the RBA or similar industry groups?
 - d. Does the issuer source materials or services from locations at high risk of unsustainable behavior such as slave labor?

7. *What is the potential for reputational risk?*
 - a. Has the issuer been the subject of any litigation in the past 5 years regarding violations of laws, abuse of shareholders or employee discrimination?

- b. Has the issuer been subject to any fines or regulatory actions during the past 5 years?
- c. What are the potential adverse reputational issues for the issuer from the products or services provided or its industry?
- d. What are consumer reviews about the issuer?

Sustainability Analysis: The Sustainability and Engagement Team prepares an analysis reviewing the above considerations along with a sustainability rating of either excellent, good, satisfactory or poor. The rating is subjective based on the best judgment of the Sustainability and Engagement Team.

Engagement: The Sustainability and Engagement Team informs each issuer of any sustainability deficiencies uncovered by its research, typically by letter/email and often followed by a conversation. The Sustainability and Engagement Team regularly addresses sustainability concerns with issuers that initiate engagement as part of a regular shareholder outreach process. The Sustainability and Engagement Team also sends a letter to each issuer regarding any proxy vote against a management recommendation. These letters often engender further communication by the issuer with the Sustainability and Engagement Team. Boston Partners votes proxies for most of its clients and incorporates sustainability consideration into its proxy decisions. The Sustainability and Engagement Team monitors issuers for improvement on engagement topic.

Exclusions: Boston Partners fiduciary duty prohibits self-imposed restrictions on industries or securities because of sustainability considerations separate from a fundamental financial investment consideration. Any exclusions are implemented from client instructions.

Reporting: Engagement summaries are posted monthly on the Boston Partners' website along with other sustainability information regarding Boston Partners' operations and the PRI reports. Currently, client reporting about sustainability is solely per client request. Portfolio managers quarterly receive a carbon footprint analysis of their portfolios. Investment analyses are maintained in a database available to all Boston Partners' investment personnel.