

# Sustainability and Engagement at Boston Partners

## Engagement Improvers Report

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

- 1. Avantor, Inc. (ticker symbol AVTR):** AVTR provides products and services to customers in biopharma, healthcare, education and government, advanced technologies, and applied materials industries. In August 2021, the Team emailed AVTR following research and encouraged AVTR to disclose additional information regarding training program statistics, and to create long term GHG emission goals for 2030 and 2050, among other suggestions. The Team had an engagement call with AVTR in October 2023 and AVTR noted they committed to setting more ambitious climate targets through the SBTi. AVTR will adopt Scope 1, 2, and 3 GHG emission reduction targets with a 2030 target. The Team also noticed training hours were now disclosed in the latest sustainability report.
- 2. Howmet Aerospace, Inc. (ticker symbol HWM):** HWM provides advanced engineered solutions for the aerospace and transportation industries. In October 2022, the Team noted HWM has more than 12,000 suppliers with 5% of supplier spend in Asia. The Team asked how many suppliers are located in Northwest China, in particular the Xinjiang region where the Uighur forced labor issue is prevalent. HWM noted they send self-assessment surveys to suppliers and the Team expressed our preference for supplier auditing. HWM noted they are looking to select the right tool for supplier due diligence. On the engagement call in October 2023, HWM noted they adopted EcoVadis due diligence as their supplier assessment tool as a result of our suggestion to report on supplier audits. HWM has started with the 50 biggest suppliers by spend and will look at those with the highest risk.
- 3. Metso Corporation (ticker symbol METSO-FI):** METSO-FI makes mining machines. In 2020, the Team recommended that METSO-FI disclose development opportunities available to employees and leadership. METSO-FI disclosed those programs in its 2022 sustainability report.
- 4. Fidelity National Information Services, Inc. (ticker symbol FIS):** FIS is a financial technology company. In 2022, the Team encouraged FIS to adopt an independent chair. FIS now has an independent chair.
- 5. Terex Corporation (ticker symbol TEX):** TEX is a heavy equipment manufacturer. The Team had encouraged TEX to appoint an independent Board Chair. In response to the Team’s inquiry, TEX stated that the new Chair would be an independent director.
- 6. SK Hynix (ticker symbol 000660-KR):** 000660-KR makes semiconductors. In 2022, the Team notified 000660-KR that we had voted against 2 directors because there was only 1 female Director and our policy required 2 for Boards of 7 or more directors. In 2023, 000660-KR added a second female director.

7. **WESCO International, Inc. (ticker symbol WCC):** WCC provides business-to-business distribution, logistics services, and supply chain solutions in the U.S., Canada, and internationally. In 2021, the Team encouraged WCC to provide enhanced gender and ethnic diversity data. During a 2023 engagement call, WCC highlighted that they added more layers of diversity data as a result of our suggestion. The 2023 sustainability report includes the diversity of employees in revenue-generating positions and the diversity of the CEO's direct reports.
8. **Zimmer Biomet Holdings, Inc. (ticker symbol ZBH):** ZBH designs, manufactures, and markets musculoskeletal healthcare products and solutions. In November 2021, the Team expressed our preference for an independent Chair during an engagement call. In November 2023, ZBH highlighted that they recently underwent a CEO transition and decided to appoint their former lead independent director as the independent Chair. ZBH mentioned that their Board prefers the flexibility to adopt an independent Chair, or a combined CEO/Chair based on their assessment of what structure works best at that time. Additionally, the Team had encouraged ZBH to report EEO-1 diversity data in past engagements. ZBH included EEO-1 data in their 2022 sustainability report.
9. **Fifth Third Bancorp (ticker symbol FITB):** FITB is a diversified financial services company that operates banking centers in the Midwestern and Southeastern regions of the United States. In 2021, the Team expressed our preference for an independent Chair and noticed as our Team was updating the annual sustainability research that FITB now has an independent Chair.
10. **McKesson Corporation (ticker symbol MCK):** MCK provides healthcare services in the United States and internationally. In 2022, the Team suggested MCK look into aligning executive compensation with progress towards certain ESG metrics. MCK informed us in the December 2023 engagement call that the Compensation and Talent Committee selected the following sustainability objectives for discretionary consideration and potential adjustment (downward only) of FY 2023 MIP payouts for executive officers, including NEOs: Establishment of environmental targets; Advancement in female and people of color representation to reflect best talent strategy; Improvement in Employee Opinion Survey's Inclusion and Engagement Scores; and successful fulfillment of executive officers' governance duties to prioritize regulatory excellence, risk management, compliance and ethics.
11. **Huron Consulting Group, Inc. (ticker symbol HURN):** HURN is a professional services firm. The Team has engaged with HURN at least biannually since 2019. During each engagement, the Team encouraged HURN to eliminate the classified Board structure. During our November 2023 call, HURN informed the Team that they are in the process of declassifying their Board.
12. **Pediatrix Medical Group, Inc (ticker symbol MD):** MD provides newborn, maternal-fetal, pediatric cardiology, and other pediatric subspecialty care services in the United States. The Team emailed MD in November 2021 and encouraged MD to provide information about its training programs, to disclose GHG emissions and other environmental data, among other suggestions. The Team completed an ESG research review in December 2023 and noticed MD now discloses training program information, GHG emissions and other environmental data.

## Disclosure

This document is not an offering of securities nor is it intended to provide investment advice. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these securities were or will be profitable. It is intended for information purposes only.

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