ROBECO
The Investment Engineers

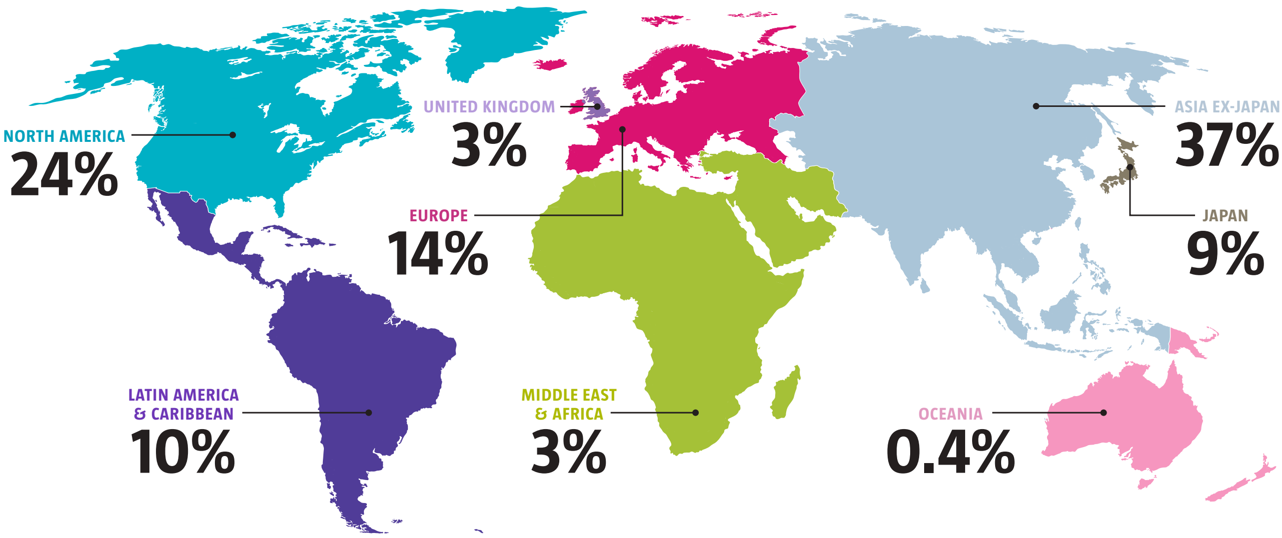
ROBECO

Proxy Voting Season Overview

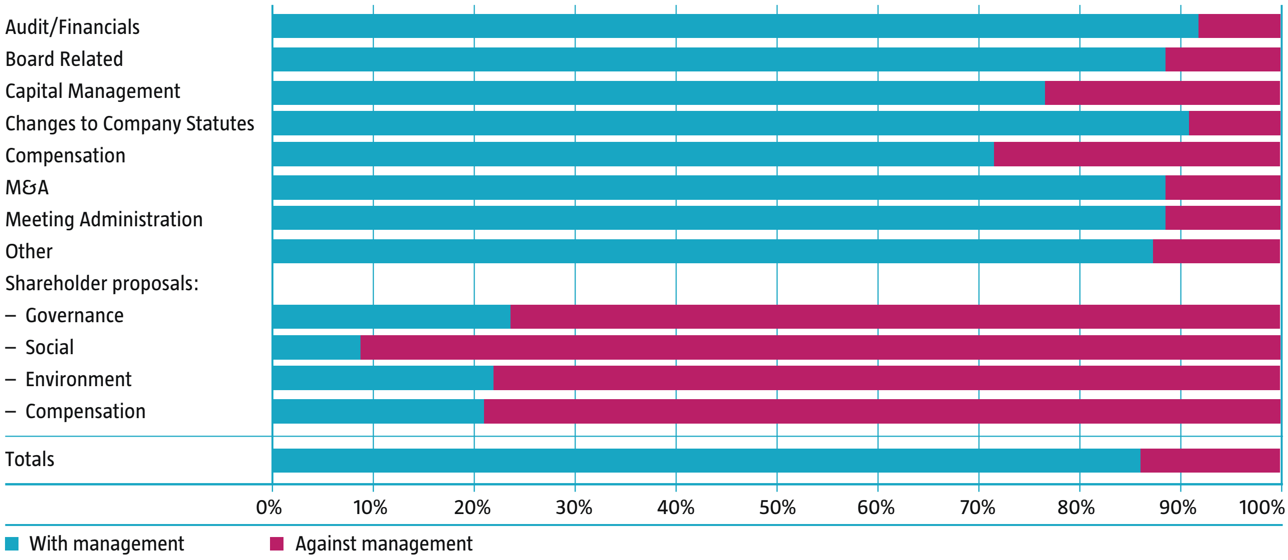
JANUARY – JUNE 2021

5,598	Meetings voted
64,577	Proposals voted
56%	% meetings voted against management
74	Countries where we voted

Shareholder Meetings by Country and Region



Voting Activity per topic



% Votes in favor of shareholder resolutions

83%	Environmental
93%	Social
74%	Corporate Governance

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The AGM season represents an important time for Robeco's Active Ownership team, as the majority of shareholder meetings take place in this period. This year's voting season was particularly fascinating because of the introduction of so-called 'Say on Climate' votes and the impact of Covid-19 on several aspects, like the adjustment to virtual meetings but also the increased complexity of determining fair executive compensation in the light of the pandemic, like the receival of state aid.

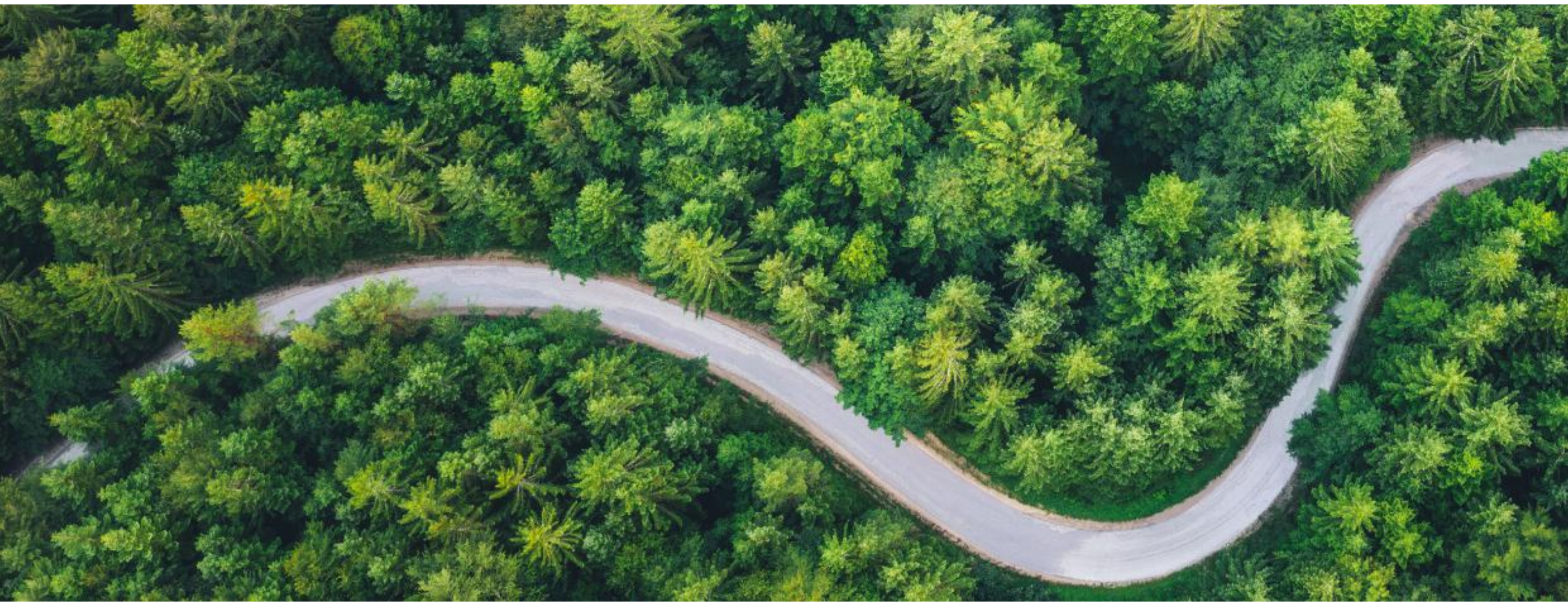
Proxy voting is an important part of our sustainable investing approach, as it gives us a platform to voice our opinions and cast vote on key topics such as board nominations, remuneration policies, shareholder proposals and capital management practices. Our voting policy is designed after the widely recognized International Corporate Governance Principles. In casting our votes, we assess whether internationally recognized corporate governance standards are implemented, whilst accounting for local governance regulations. Accountability and transparency are the cornerstones of good governance and therefore core values of the Robeco voting policy.

And even though governance issues are often most central to an AGM, increasingly environmental and social topics find their way to the AGM agenda and into shareholder voting policies. This year, we saw climate considerations continue to grow in importance at shareholder meetings, with climate proposals submitted either by shareholders or management with the introduction of 'Say on Climate' proposals that focus on climate transition plans of companies.

Additionally, this year we co-filed a shareholder proposal at Amazon, which requested reporting on Customer Due Diligence to determine human rights violations. The proposal received support from over one-third of votes cast, a clear signal from shareholders. In the first half of 2021, we voted upon nearly 65,000 proposals at over 5,500 shareholder meetings across 74 countries. Through this report we are pleased to share our key insights from the 2021 voting season.

Carola van Lamoen
Head of Sustainable Investing

Climate and health crisis dominate voting season



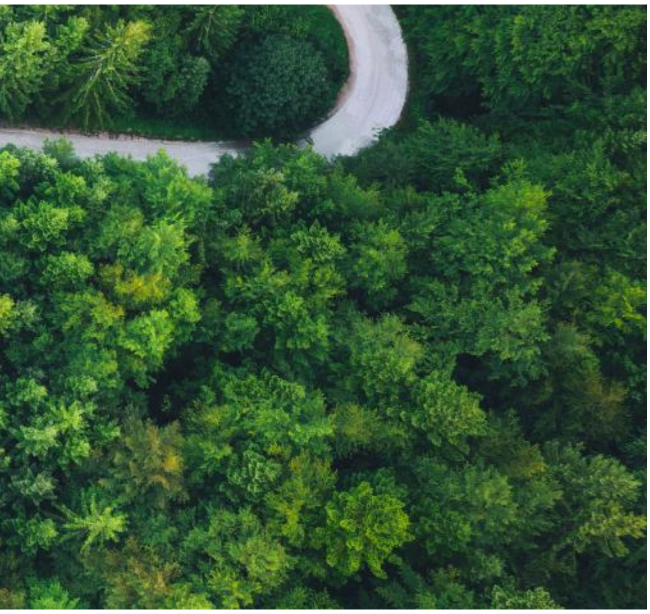
During the 2021 voting season, shareholders, regulators, and other stakeholders had expanded expectations for board action in the wake of the pandemic. Boards of directors were and continue to be prompted to address financial and social pressures, a reimagined workplace, evolving regulatory demands and increased scrutiny on environmental, social and governance (ESG) activities.

Boards under scrutiny in wake of pandemic

Although the frequency and subject matter of shareholder proposals vary significantly across markets, one new climate-focused proposal gaining significant traction this proxy season is the request for a 'Say on Climate' advisory vote. Proposals requesting a 'Say on Climate' vote demand that a company provide shareholders with the opportunity to approve of the company's climate policies and strategies on a consultative basis, like 'Say on Pay' proposals do for executive remuneration. More specifically, this new proposal requests that companies annually report emissions data and reduction strategies in a manner consistent with the Task Force on Climate-related Financial Disclosures' (TCFD) framework. We saw a series of 'Say on Climate' votes on AGM agendas this year already, which we consider a proactive step for a number of companies. Even though this particular proposal gives investors the opportunity to take a clear stance on a company's climate response, it does not detract from shareholders' ability to escalate votes against responsible directors if boards take insufficient action.

On another note, expectations around board oversight of human capital management (HCM) and corporate culture have grown substantially. The economic impact of the pandemic and social justice movements in many regions have sparked demand for disclosure of more HCM data such as gender pay gaps, safety incidents and employee turnover. Moreover, boards, especially at companies with large numbers of at-risk or furloughed employees, have been expected to disclose how the pandemic's impact across their workforces was considered in reconfiguring pay for senior executives.

Lastly, many companies around the world continued to hold virtual-only meetings for at least the first half of 2021. Last voting season, shareholders expressed significant concerns regarding the inability to ask questions or to vote at virtual meetings. Several solutions have been provided by some participants in the proxy voting chain to facilitate access to meetings. While the majority of companies made genuine efforts to provide shareholders with the necessary platforms to participate virtually, some notable exceptions, such as audio-only broadcasts, have set a



poor precedent and may encourage greater scrutiny still.

A new frontier in the fight against climate change

Climate change is now a cornerstone of investor stewardship but addressing this topic through votes at shareholder meetings is relatively novel. However, the 2021 proxy voting season has demonstrated that boards will be held accountable for their climate-related oversight by proxy advisors, activist groups, and institutional investors alike.

Historically, shareholders have addressed their climate change concerns to boards through filing shareholder proposals. In the US for instance, the number of climate-related shareholder proposals filed has steadily risen over the years, from 34 in 2012 to over 140 in 2020. Of the proposals filed, many get withdrawn if the request is adopted by the company, but some proposals are also challenged by companies and omitted from the AGM. Although these challenges are intended for poorly drafted or immaterial proposals, companies lagging in climate action often use this mechanism to skirt the concerns raised by shareholders. In these cases, shareholders may escalate their climate-concerns by voting against the nomination of board directors such as the chairman or members of the audit or sustainability committees.

Holding directors accountable for a company's (inadequate) approach to climate change could become the norm. Majority Action – an ESG focused shareholder activist group – published their 'Proxy Voting for a 1.5°C World' campaign, which outlines a list of systemically important companies in the three key industries that have not set emissions targets aligned to limiting warming to 1.5°C. The campaign calls on institutional investors to use their voting rights to vote against company directors that have failed in their oversight responsibilities to address escalating climate change.

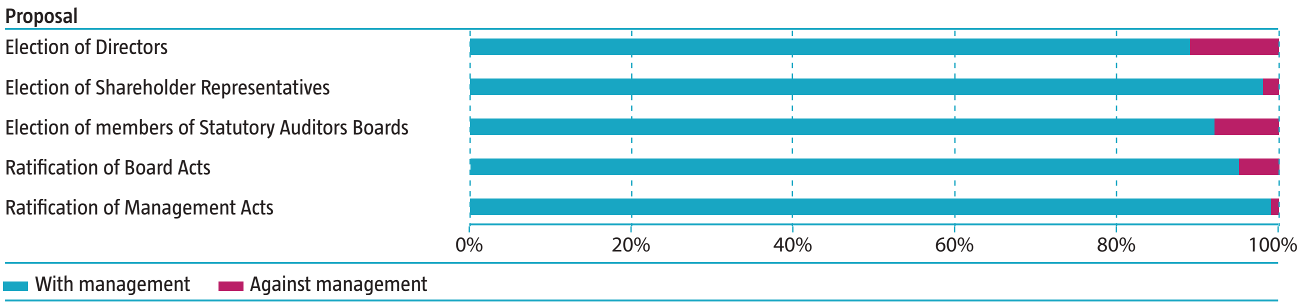
One of the challenges in adopting such a voting approach is consistently identifying which companies are not in line with a 1.5°C or Paris-aligned scenario. Companies and international organizations often use different methods to calculate their long-term 2050 climate change scenarios, which is then reflected by the discrepancies in short-term targets. There are several resources that investors can use to help track the climate change targets set by companies. This year the publication of the Climate Action 100+ Net Zero Benchmark further helped us in the implementation of climate-related votes. For any company in the benchmark that hadn't set any relevant climate targets and hadn't made a Net Zero commitment, or ranks poorly in the Transition Pathway Initiative's Management Quality score, our policy dictates a vote against the Chairman of the board due to climate-related concerns, if they are up for vote. Benchmarks also enable investors to monitor the annual progress made by companies, and to determine whether to escalate their approach to voting and engagement.

These new guidelines for proxy voting underscore that, where companies are failing to develop effective climate transition plans, boards will appropriately be held accountable. While institutional investors' definitions of what is appropriate may vary, the importance and urgency of holding directors accountable is clear.

Board Composition

Directors bear a duty to represent the interests of the shareholders who elected them. To do so effectively, boards require independence, diversity, and relevant skillsets and backgrounds. Even when these prerequisites appear to be satisfied, boards can fail to live up to shareholders' expectations in other areas, as shown by Robeco's voting on director elections during the 2021 Proxy Voting Season.

Voting activity by a selected sample of proposal types



ExxonMobil Corp

Exxon Mobil Corporation operates petroleum and petrochemicals businesses on a worldwide basis. The Company operations include exploration and production of oil and gas, electric power generation, and coal and minerals operations. Exxon Mobil also manufactures and markets fuels, lubricants, and chemicals.

Meeting date: 26 May 2021
Perhaps the most high-profile AGM of the year, Exxon's shareholder meeting marked a turn for the oil majors. In addition to concluding a proxy fight that had been building for months, multiple shareholder proposals were also filed with some of them receiving majority support.

ESG-focused activist investor Engine No. 1 filed resolutions at Exxon's AGM aimed at replacing four directors with their own candidates. These resolutions were part of a campaign to enhance climate oversight on the board and were supported by some of the US' largest pension funds. The core argument of Engine No. 1 was that ExxonMobil's board, which is saturated with CEOs at some of America's largest companies, did not actually include anyone with dedicated energy industry experience. So, it nominated four candidates from the energy world in both the U.S. and Europe. Meanwhile, Exxon claimed to have evolved its strategy and maintained its historical leadership position among peers. The nominations were very successful, resulting in three new members joining the board: an executive at Marathon Petroleum and Andeavor, the former Executive Vice President of Renewable Products at Neste Oyj, and a strategist at Google's owner Alphabet Inc and former US assistant secretary of energy. These directors were ultimately chosen for their expertise in sustainability and the energy transition. Another resolution that gained shareholder approval relates to the disclosure on Exxon's lobbying activities and related spending, which asked the company to account for whether and how its lobbying aligns with the Paris Agreement.

In the end, Engine No. 1 won a very expensive proxy fight with only a tiny .002 percent of the stock, by leveraging shareholder discontent to support a business case for meaningful change. Although this was certainly helped by Exxon-Mobil's poor performance, with losses last year of USD 22 billion (its worst performance in forty years), it was also due to the quality of the nominees which gained backing from some of the largest institutional investors in the US.

We supported all shareholder proposals (besides one 'Trojan Horse proposal', which aimed to limit progress on climate-related issues) and dissident board nominees, in addition to voting against the re-election of chairman of the board and lead independent director due to insufficiently addressing shareholder concerns on climate.

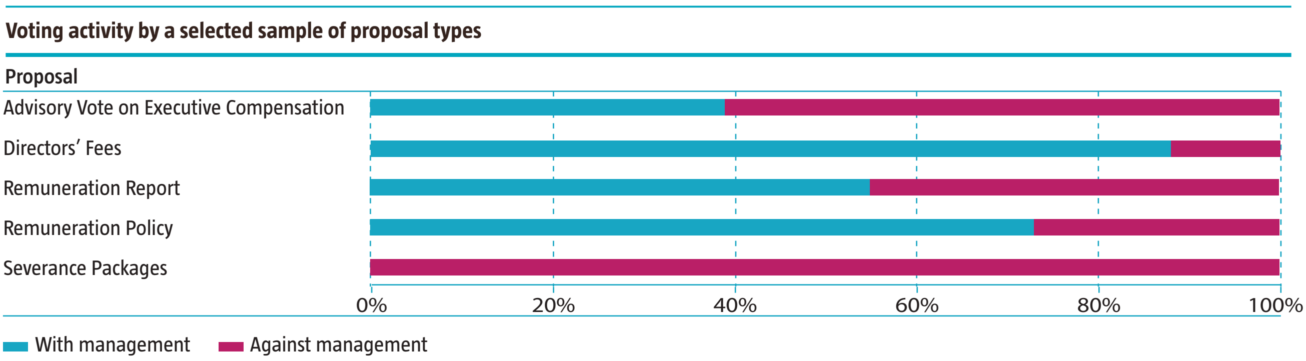
The Boeing Company

Boeing is an American multinational company, that together with its subsidiaries, designs, develops, manufactures, sales, services, and supports commercial jetliners, military aircraft, satellites, missile defense, human space flight and launch systems, and services worldwide.

Meeting date: 20 April 2021
Our focus at this year's AGM was not only on the impact of the global pandemic, but also on the 737-MAX fatal crash controversy, the outcome of the investigation made by the U.S. Department of Justice, and the related substantial material loss and reputational damage. We were concerned by the past performance of two nominees up for re-election in the board, as they failed to fully exercise their fiduciary duties as member of the audit committee. Thus, we decided to vote against the re-election of these directors, since they were serving on the company's audit committee during the period when the 737-MAX was in development and certification, and therefore bore responsibility for overseeing the Company's risk assessment and management. Additionally, we voted against the re-election of the Chair of the Nomination Committee as the Board has insufficient female representation. Besides that, we also voted against the Chair of the Compensation Committee for not addressing persistent failures on remuneration practices. This was the sixth consecutive year we were voting against the Advisory Vote on Executive Compensation due to excessive pay-outs and substantial one-off payments with no clear link to performance criteria.

Executive Remuneration

We continue to see a gradual improvement in executive compensation plans, but issues like a lack of transparency and pay-for-performance still persist. Additionally, weak structures and poor disclosures make it difficult for shareholders to gain a full understanding of how executives are incentivized and why. During the 2021 AGM season we applied our standard framework for remuneration that looks into the structure of pay for performance, quantum, the inclusion of relevant ESG metrics, and reporting and accountability. Yet, this season we paid additional attention to the impacts of the Covid-19 pandemic. Especially for companies that had received state aid, laid off many employees, or had to cancel dividends, we expected companies to take a more cautious approach to the remuneration of their CEOs.



Booking Holdings

Booking Holdings Inc. provides travel and restaurant online reservation and related services worldwide. The company operates Booking.

Meeting date: 26 May 2021
As a travel platform, Booking's performance has been heavily impacted by the pandemic, which has led them to apply for state aid in the Netherlands and an overall restructuring of the firm. Although the need to retain key executives throughout such a challenging time is evident, Booking's method of retention is questionable. During the past financial year, the CFO has received discretionary retention bonus of USD 10 million additional to his regular long-term pay package. Despite the important role the CFO will play in the upcoming restructuring and his relatively recent appointment of 2018, the overall height of his compensation is not commensurate to a year where the company has faced such economic hardship. As such, we voted against the executive remuneration proposal at the AGM.

Rio Tinto Plc

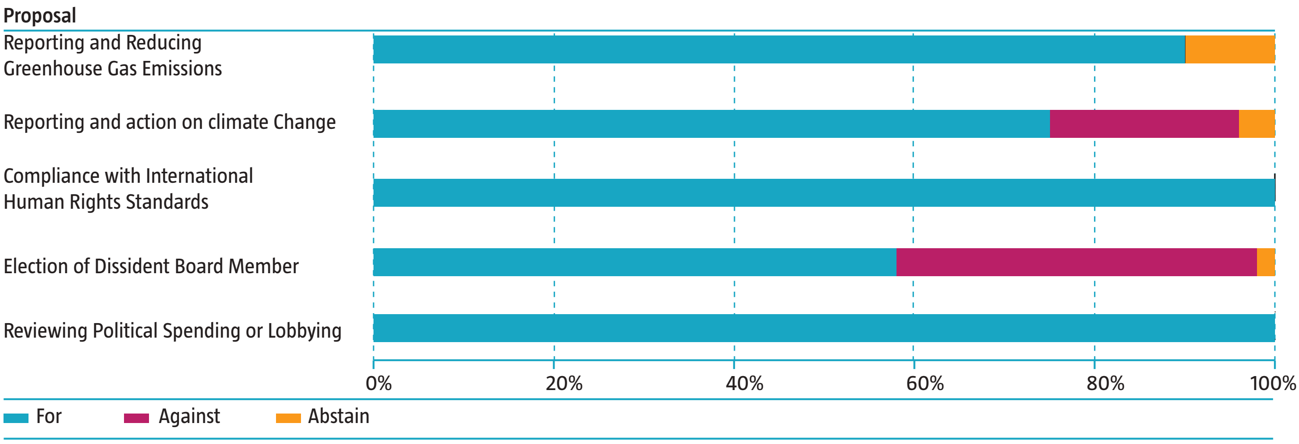
Rio Tinto Group engages in finding, mining, and processing mineral resources worldwide. The company offers aluminum, silver, molybdenum, copper, diamonds, gold, borates, titanium dioxide, salt, iron ore, and uranium.

Meeting date: 9 April 2021
In light of the Juukan Gorge incident in May 2020, where an expansion of one of the company's iron ore mines led to irreversible damage to a 46,000-year-old Aboriginal cultural heritage site, the company's CEO was fired and his vested LTIP of 2016 adjusted downward by GBP 1 million. However, despite this adjustment the total pay out to the CEO was nearly GBP 1.5 million higher than the previous year. This led many shareholders to question whether the company's downward adjustment was sufficient to account for the serious reputational damage the company incurred in the aftermath of the Juukan Gorge incident for which the CEO was ultimately responsible. The company did not disclose clearly how it arrived at the applied reduction figure, nor did it explain why the CEO was treated as an "eligible" leaver, which means his outstanding equity awards will vest on their normal vesting dates, subject to pro-ration. The height of the remuneration is excessive for a year where the CEO is leaving the company due to the failure to implement an adequate heritage management system. Therefore, we voted against the remuneration proposal.

Shareholder Proposals

We support shareholder proposals on ESG topics if they support long-term, sustainable shareholder value creation. Every AGM season, there are several key issues take to the spotlight. This year, climate change reporting and human rights standards were repeatedly addressed through shareholder proposals.

Voting activity by a selected sample of proposal types



Alphabet Inc

Alphabet Inc. operates as a holding company. The Company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products.

Meeting date: 2 June 2021
Alphabet was one of several large American tech company that was targeted by a handful of shareholder proposals (SHP) focusing on social and corporate governance topics. We supported the SHP requesting the board to initiate a 7-year recapitalization plan, that would ultimately result in one vote per share. We view this plan to be on the best interest of minority shareholders, allowing them to have an equal voice and express it with their votes when it comes to important matters.

We also supported the SHP asking the nominating committee to add at least one candidate to the board who has human and/or civil rights expertise. The company has received criticism by the media for not doing enough to protect user privacy, with numerous allegations of private data misuse, and we engage with the company on the social impact of artificial intelligence. We believe that board-level oversight of human rights considerations is a positive step and in line with our engagement asks. Additionally, we supported the SHP asking for a third-party review of the whistleblower policy effectiveness. Taking into consideration the risks the company faces due to ineffective whistleblower protections, and given the recent controversies, we believe that the request outlined in this proposal would benefit shareholders.

Lastly, shareholders requested the company prepare a report assessing the feasibility of integrating sustainability and diversity metrics in its executive compensation program. In the prior year, the same resolution was supported by 13.1% of the votes, showcasing that shareholders do value the integration of environmental and social factors into the business strategy. We believe that the adoption of this proposal is necessary, and thus we supported this SHP also this year, and we encourage the company to introduce a bonus program that links executives' compensation to specific ESG goals.

Amazon.com Inc.

Amazon.com Inc. is a U.S. multinational technology company that engages in the retail sale of consumer products and subscriptions, in North America and internationally. The company focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence.

Meeting date: 26 May 2021
The shareholder proposals up for vote at Amazon's annual shareholder meeting largely concerned racial and equity issues, as well as antitrust topics, and responsible use of the company's facial recognition technology. We supported all of the 11 shareholder proposals, asking the company to take action on these topics, aiming to make the company a more transparent and conscientious corporate citizen. Even though the shareholder resolutions were non-binding, they were a way to raise our concerns on certain corporate policies and put pressure on improving Amazon's practices related to civil rights, equity, diversity, and inclusion.

Among the 11 proposals submitted by shareholders, we supported the one asking from the company's board to adopt a policy to require that the chair of the board shall be an independent director who has not previously served as an executive officer. From a shareholder's point of view, we believe that an independent chair strengthens corporate governance and has a better oversight of management practices, leading to shareholder value creation.

We also supported the resolution asking the company to report on plastic packaging and setting goals to reduce the impact of plastic pollution. According to the proponent's statement, Amazon approximately generates 465 million pounds of plastic packaging waste, of which 22 million ends in the ocean. We acknowledge the environmental risks coming from plastic pollution and we encouraged the company to take necessary action to address this issue by supporting this resolution.

Additionally, we supported the resolution asking the board to adopt a policy that promotes representation of employees' perspectives among corporate decisions, by including employees in the list of candidates put forward by the Nominating and Governance Committee. Employee representation on the board helps companies consider the views of an important stakeholder group, and is standard practice in some other markets. Even though it is not prevalent in the US yet, we believe it could play an important role in ensuring more responsible company management.

Lastly, we voted in favor of the three resolutions asking for an analysis of the company's impact on civil rights, a human rights impact report assessing the risks incurred by facial recognition technology, and a report on customer due diligence related to facial recognition products. Robeco co-filed the resolution on enhanced customer due diligence as part of our engagement with the company on the social impact of artificial intelligence. The proposal received 35% of votes in favor. Amazon was among many other companies that last year made supportive statements on the Black Lives Matter movement, and those proposals practically focus on mitigating human rights risks and violations and promoting racial equality.

Barclays Plc

Barclays PLC is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services.

Meeting date: 5 May 2021
At this year's AGM, Barclays faced a shareholder resolution aimed at accelerating and improving their climate strategy. A group of individual investors coordinated by Australian nonprofit Market Forces filed the resolution that called on Barclays to bring its financing for coal, oil, and gas companies in line with the goals of the Paris climate agreement. Specifically, the proposal asked to set Paris-aligned targets for the phaseout of fossil fuel financing and to report on subsequent progress from 2022 onwards.

The company was disappointed by the filing of this resolution given the support they had received (99%) for their own climate policy at last year's AGM. Their previously approved strategy includes a new carbon footprint tracking tool and financing restrictions for select carbon-intensive industries. Barclays has also already committed to achieving net-zero emissions by 2050 and maintaining alignment with the Paris agreement. The company's main concern is around the phrasing of 'phase out', which they feel does not provide enough flexibility to carry out a 'transition'. However, we believe the resolution is not in conflict with the Barclays current climate strategy and would provide greater insights into specific lending activities and how they align with the ultimate 2050 net-zero target. As a result, we supported the resolution.

Nonetheless, the resolution was not adopted as it only received 14% support from shareholders. This will likely not be the last time Barclays sees such a resolution given that the pressure to escalate climate strategies is mounting. A long-term commitment to net-zero by 2050 is no longer credible without providing clear short- and medium-term pathways and targets. Although we recognize formulating such targets is challenging due to data gaps and market uncertainties, it increases accountability for Barclays' climate transition strategy.

BP plc

BP plc is an oil and petrochemicals company. The Company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals.

Meeting date: 12 May 2021
BP was one of several oil and gas companies in 2021 where shareholder activism organisation Follow This filed resolutions requesting Paris-aligned GHG reduction targets. The proposals are important gauges of investor support for companies' existing climate plans, and what action shareholders believe companies should take to ensure they contribute to the goals of the Paris agreement.

We supported the shareholder proposal at BP, since it requested the company to set Scope 1,2, and 3 emission reduction targets over the short, medium, and long term. The proposal is also asking for the company to report annually on the GHG emissions reduction plan, which we believe should be tied to a non-binding shareholder vote on progress. The reason that the proposal adds value in the case of BP is that the company did not put forward a Say on Climate resolution in 2021. Supporting the resolution acts as an important signal that formalized progress reporting and shareholder feedback mechanisms are a vital component of climate leadership.

Recognizing the targets that BP had already set, we saw further room for improvement on coverage of all emissions scopes and board accountability for implementation. Our support for this resolution was primarily meant to foster accountability via reporting and feedback mechanisms. We believe that Say on Climate resolutions (e.g. periodically on strategy, annually on disclosure) are key elements of climate leadership in the sector. In our vote we also considered the findings of the Climate Action 100+ Net Zero Benchmark.

The shareholder proposal received just over 20% support from shareholders at the AGM. We believe this sends a clear message, and the board has committed to continuing engagement with shareholders on its climate plans, and to report on the progress of this engagement regularly, in line with the UK Corporate Governance Code.

Chevron Corp

Chevron Corporation is an integrated energy company with operations in countries located around the world. The Company produces and transports crude oil and natural gas. Chevron also refines, markets, and distributes fuels, as well as is involved in chemical and mining operations, power generation, and energy services.

Meeting date: 27 May 2021
Similar to previous years, there were several climate-related shareholder proposals put forth at Chevron's recent AGM including one filed by Dutch shareholder advocacy organization, Follow This, asking the company to set Paris-aligned emission targets. In general, we support such resolutions especially when companies have not set scope 1, 2, and 3 targets for across short-, medium-, and long-term horizons and have not presented shareholders concrete implementation plans (for example via a Say on Climate) vote. As Chevron has not sufficiently classified GHG emissions reductions across all scopes of emissions, we have supported this proposal. As the company has also not met any of the criteria around target setting based on the Climate Action 100+ Net Zero Benchmark, we also voted against the Chairman of the Board.

ConocoPhillips

ConocoPhillips explores for, produces, transports, and markets crude oil, bitumen, natural gas, liquefied natural gas (LNG), and natural gas liquids worldwide.

Meeting date: 12 April 2021
The resolution filed by Follow This at several Oil & Gas companies was also filed at ConocoPhillips' AGM and is substantially similar to the rest. The resolution asks for the establishment of Scope 1, 2, and 3 GHG reduction targets, and would add value because the company has not set short-term GHG reduction targets and Scope 3 is insufficiently covered, as per the Climate Action 100+ Net-Zero Benchmark. Therefore, based on our guidelines for climate related shareholder proposals, we have supported the resolution.

Equinor ASA

Equinor ASA operates as an energy company. The Company develops oil, gas, wind, and solar energy projects, as well as focuses on offshore operations and exploration services. Equinor serves customers worldwide.

Meeting date: 11 May 2021
During Equinor's annual meeting of shareholders a similar resolution was filed requesting the company to set Paris-aligned emissions targets. Equinor is not a laggard in the climate transition and already has a long-term climate ambition. Nonetheless, we have voted in favor of the resolution as Equinor has not sufficiently translated the long-term ambition into short-term targets.

Several other climate related resolutions were filed, including requests for the discontinuation of overseas business or specific changes in the company's product mix such as inclusion of nuclear power. We believed that many of these resolutions were too disruptive and prescriptive to the company's ongoing business whereas the resolution on setting Paris-aligned emissions targets are more helpful to guide Equinor through the energy transition.

Facebook Inc.

Facebook Inc. is a U.S. multinational conglomerate focusing on information technology. Facebook offers products and services globally through its social networking platforms, Facebook, Facebook Messenger, Instagram, WhatsApp.

Meeting date: 26 May 2021
At this year's Facebook AGM, there were once again many shareholder resolutions up for vote. These proposals were asking for Facebook to improve their corporate governance practices, to combat potential legal and reputational risks, and to promote human rights.

Shareholders requested that the company gradually eliminate the special class of super-voting shares that the CEO has, which gives him the majority voting control of the company. We supported this resolution since we believe that one vote per share generally operates as a safeguard for common shareholders. We also supported the shareholder resolution asking for the board chair to be independent. We believe that an independent chair is in a better position to uphold shareholders' best interest and oversee management decisions. We favored both proposals since they contribute to improved corporate governance practices and increase board accountability.

Regarding social issues, again this year two resolutions were submitted requesting human/civil rights expertise to be added to the board, and reporting on online child exploitation. We believe that the company should address the increasing sexual child exploitation issue due to the encrypted messaging services provided on their platforms. It is necessary for the company to assess, report and proactively address this sensitive issue, and to efficiently mitigate potential operational and reputational risks.

Shareholders proposed that the nominating committee will nominate at least one candidate on the board, who has human/civil rights expertise. We were among the 4.06% of the shareholders who supported this proposal. We believe that a director with this type of experience within the board, would better help face human-right-related risks and ensure accountability and oversight. We were pleased to see the company launching its corporate human rights policy in March 2021, but an independent director with experience in the field is highly important, given Facebook's preeminent role in the social media landscape and the risks this entails.

Finally, we supported the proposal asking the company to report on reducing false and divisive information. Shareholders need detailed information to assess how the company is managing and mitigating related risks by the misuse of their platforms.

Pfizer Inc

Pfizer Inc. develops, manufactures, and sells healthcare products worldwide.

Meeting date: 22 April 2021
At Pfizer's 2021 AGM, two out of the three shareholder proposals (SHP) that were filed were heavily influenced by the major events of 2020, the US elections and Covid-19. The first SHP asked Pfizer to publish an annual report analyzing the congruency of political and electioneering expenditures during the preceding year against publicly stated company values and policies. The proponent was motivated to file the SHP because they found several contradictions in the company's current political spending and its values. Some examples listed were contributions to an effort to strike down the Affordable Care Act, limit women's reproductive rights, and roll back climate regulations. Although the company defended its current contributions by explaining they do not equal endorsements, nearly half of all shareholders agreed with the proponent that current practices appear misaligned and could cause reputational damage. We supported the proposal along with 47% of shareholders, a very large support rate for a SHP in its initial year of filing.

Besides the elections, Covid-19 heavily impacted 2020. As one of the producers of an FDA approved vaccine, Pfizer came out on top in the race to halt the pandemic. Shareholders filed a SHP asking the company how public financial support for development of vaccine or therapeutics for COVID-19 is being taken into account in access to such products, such as price-setting. This proposal merges a long-standing concern of rising drug prices and the contemporary concern of the global pandemic. While Pfizer maintains it has not received any direct US government funding, we acknowledge the proponent's argument that it has benefitted strongly from indirect support and that transparency on how the company aims to ensure access to its products would benefit shareholders. Therefore, we also supported this resolution. The proposal received 28% support from shareholders.

The third proposal that was filed at Pfizer is a recurring one in the US asking for a company to have an independent chair. We voted for this proposal because we believe that an independent chair is in the best position to diligently oversee the executives of a company and set a pro-shareholder agenda. This was the fifth consecutive year this proposal was brought to Pfizer's AGM and it has steadily received increasing support, culminating in 37% of shareholders supporting the proposal in 2021. s all shareholder proposals filed at the AGM received sizeable support, we expect Pfizer to act accordingly. However, it should be noted that shareholder proposals are advisory in nature and none of the proposals received majority support.

Johnson & Johnson

Johnson & Johnson researches and develops, manufactures, and sells various products in the health care field worldwide. It operates in three segments: Consumer, Pharmaceutical, and Medical Devices.

Meeting date: 22 April 2021
Johnson & Johnson (J&J) had four shareholder proposals (SHP) filed at this year's AGM. Perhaps the doubling of the number of SHPs filed at its AGMs compared to recent years was due to J&J's successful creation of a Covid-19 vaccine which put it in the limelight. Alternatively, the high number of SHPs might be a sign of the diverse topics of importance to shareholders during this AGM season. We expect shareholder resolutions to continue to grow in number in the coming years, reflecting the increased focus on ESG topics by investors.

Historically, SHPs at J&J have focused on governance topics of remuneration and independent oversight. These topics also returned at this year's AGM and received sizeable support with one SHP asking for an independent chair (43%) and another for a bonus deferral policy (22%). We supported both these proposals since they are in line with best practices.

This year's AGM also saw the introduction of two new SHPs with topics closely tied to recent events. The first SHP was filed at several pharmaceutical companies who were successful in creating a Covid-19 vaccine. It asked the company to report on how public financial support for development of a vaccine or therapeutics for COVID-19 is being taken into account in access to such products, such as price-setting. We believe this proposal helps ensure that any medical breakthroughs derived from the public's contribution will be priced in an accessible way so that communities of all income levels will benefit equally. Therefore, we supported the proposal which gained support of nearly 32% of the shareholders.

The final SHP filed at the AGM appears to be closely linked to the global support gained by the BLM movement during 2020. The proposal asks the company to conduct and publish a third-party audit to review the racial impact of its policies and practices, to provide recommendations for improving the company's racial impact. The company has already made a commitment to address certain racial issues within its products and product development and we believe this proposal would further promote the integration of diversity and inclusion. Over a third of all shareholders shared this sentiment and supported the proposal.

The wide spread of SHP topics indicates that companies need to increasingly broaden their scope of attention to meet shareholder and community expectations of good corporate responsibility.

Royal Dutch Shell

Royal Dutch Shell PLC, through subsidiaries, explores, produces, and refines petroleum. The Company produces fuels, chemicals, and lubricants. Royal Dutch Shell owns and operates gasoline filling stations worldwide.

Meeting date: 18 May 2021
During Shell's 2021 AGM, two important climate-related proposals were on the agenda. Resolution 20 represented an industry first, as Shell put forward its own climate transition plan for a shareholder vote. Resolution 21 was a shareholder proposal on greenhouse gas reduction targets. We supported Shell's proposal for approval of the Energy Transition Strategy (Say on Climate), because in our assessment, the climate plan is currently one of the most elaborate and advanced plans in the oil and gas sector. While supporting the resolution, we recognize that the plan will require updates and further improvements in the coming years. At the AGM, we expressed our desire for Shell to increase pace and to already make significant steps in the near future. This aligns with the progress we have expected and seen from Shell during our engagement under the Climate Action 100+ initiative. Following the AGM and a court ruling regarding its transition plan in The Hague, Shell has already further advanced its plans and ambitions.

In addition, a shareholder proposal was filed for Shell to set climate-related targets in the long, medium, and short term. In our assessment, Shell has already set one of the most advanced targets in their sector, and the company should instead focus on implementation in its next steps. Therefore, we abstained from voting on this resolution. We generally support these resolutions when companies have not set robust targets (scope 1, 2, and 3 for long-, medium-, and short-term horizons) and have not presented concrete implementation plans. However, this needs to be balanced with the significant progress that Shell had already shown on the specific asks for the resolution.
Shell's own Say on Climate vote received the support of around 89% of votes cast, representing widespread acknowledgement of the strength of its transition plan. Meanwhile, shareholders also voiced their view on the further development of Shell's targets, as the shareholder resolution received 30% of votes in favor.

Toshiba Corporation

Toshiba Corporation manufactures and markets electrical and electronic products. The Company's products include digital products such as PCs and televisions, NAND flash memories, and system LSIs (large-scale integrated), as well as social infrastructures such as power generators, medical equipment, and home appliances.

Meeting date: 18 March 2020
We supported two shareholder resolutions at Toshiba's EGM, both of which were put forth by large activist shareholders, Effissimo and Farallon capital management.

At Toshiba's 2020 annual shareholder meeting, Effissimo tried to have its co-founder Yoichiro Imai nominated to Toshiba's board, along with other directors. When that proposal was rejected and management's own slate of directors were appointed instead, it was viewed as a setback for shareholders who sought more influence at the conglomerate after years of accounting scandals. However, suspicion soon arose around the actual processing of ballots and how votes were counted. One shareholder with a 1.3% stake reported that its votes weren't counted, despite being mailed several days before the deadline. Effissimo contends that the internal investigation by Toshiba's Audit Committee of the 2020 AGM was inadequate and inherently compromised because committee members were investigating allegations of misconduct directly connected with their own election as directors. Shareholders therefore deserve a credible independent confirmation that the integrity of their voting rights were upheld, which is why Effissimo proposed to elect a special investigative committee at the 2021 shareholder meeting. The committee will serve for a period of three months and their compensation has already been determined. This alleviates any potential concerns around maintaining the independence of this committee's investigation.

On another note, Farallon's shareholder proposal asks the company to put forth and explain their capital management policy and report on their adherence to it. The proponent argued that the company failed to meet previous commitments to disclose how it would use its funds and expressed concern about management's plans to deploy its capital for M&A. Given that this request provides more insights into the company's previously questioned capital management and is not overly prescriptive, we supported this proposal.

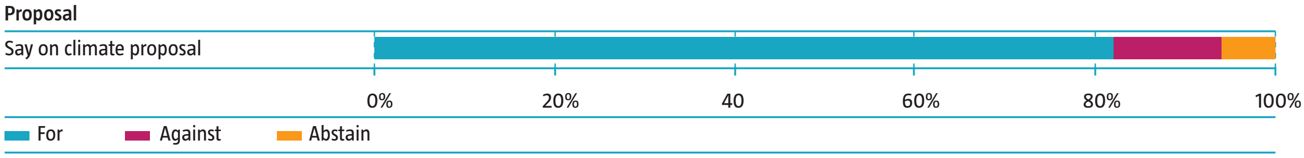
Ultimately, only the Effissimo proposal was passed by shareholders, which is only the fourth time an activist shareholder proposal has won approval in Japan and the first at a major company. This outcome signals the rise of corporate accountability in Japan and demonstrates the role of shareholders in upholding corporate governance best practices.

Say on Climate

Over the last couple of years, shareholders have increasingly asked CO_2 emitting companies to set carbon reduction targets in order to mitigate climate change. This year, many resolutions were filed with such demands. As we believe that climate change has inherent risks for companies, we tend to support such resolutions if a company has not set long, mid and short-term targets for their relevant scopes of emissions, or has failed to report on progress.

Voting activity by a selected sample of proposal types

Proposal



In the 2021 AGM season, we have also seen the introduction of management proposals in relation to their climate strategies. Unilever, Royal Dutch Shell, Total, and Nestlé were some of the first large companies to ask for an explicit shareholder advisory vote on their climate strategies or reporting. We expect that by having a frequent shareholder vote, best practices will evolve in terms of reporting, ambition levels and progress for the mitigation of climate change. Therefore, we have generally supported such proposals if they meet a set of criteria, including that the company in question had set a Net Zero Ambition, and that it had presented concrete implementation plans for achieving its long-, mid- and short-term targets.

HSBC Holdings plc

HSBC Holdings plc (HSBC) is a banking and financial services company. The Company manages its products and services through three businesses: Wealth and Personal Banking (WPB), Commercial Banking (CMB), and Global Banking and Markets (GBM).

Meeting date: 28 May 2021
HSBC put its climate policy to vote at its recent AGM and received 99% support. We also voted in favor of the resolution, given the significant strides taken by the company. The result was preceded by pressure from a shareholder resolution filed by a USD 2.4 trillion investor coalition led by ShareAction that was ultimately withdrawn.

ShareAction expressed its support for HSBC's own proposal instead.
HSBC has committed to phase out financing (project finance, corporate finance, and underwriting) of coal-fired power and thermal coal mining in the EU and OECD by 2030 and other regions by 2040. This is an important move by the bank given its exposure to Asia, and HSBC's global rank as the world's 15th largest coal power financer. To date, HSBC has been one of the only European banks with no corporate financing restriction for companies exposed to the thermal coal sector and has provided more than USD 15 bn of financing to coal developers from October 2018 to 2020.

HSBC acknowledged that expansion of coal-fired power is incompatible with the goals of the Paris agreement. This is a relatively big turnaround given the company's previous stance and financing of coal-related activities. HSBC has also committed to set, disclose, and implement a strategy with short- and medium-term targets to align its financing across all sectors with the goals of the Paris climate agreement, starting with oil & gas and power & utilities sectors. It will use 1.5°C pathways that are not overly reliant on negative emissions technologies.

The company will publish a new coal policy by the end of 2021 which is expected to include several elements, namely: 1.) a prohibition of general corporate financing and underwriting to companies that are highly dependent on coal mining and/or coal power, as well as companies planning new coal mines, coal plants and coal infrastructure, 2.) commitment to help clients develop, publish and implement coal phase-out plans in line with the 2030/2040 timelines by a specific date and no later than December 2023, 3.) a commitment to focus on the entire coal supply chain, including coal equipment manufacturers and any other coal supply chain function that contributes to the expansion of coal-related activities. Following the AGM, we will continue to monitor how HSBC upholds their new commitments.

Moody's Corporation

Moody's Corporation provides credit ratings and assessment services; and credit, capital markets, and economic research, data, and analytical tools worldwide. It operates through two segments, Moody's Investors Service and Moody's Analytics.

Meeting date: 15 April 2021
During this year's AGM the company sought shareholder approval of their decarbonization plan. The Say on Climate resolution reflected the management's ambitions as of December 2020 to reduce emissions and align business operations with multiple global initiatives. The proposal might even be part of the larger business strategy by the ratings service provider, as sustainability data and solutions become increasingly more important. The company has set an ambitious plan including scenario analyses, a Paris-aligned net zero commitment and science-based emission reduction targets for scope 1, 2 and 3. We voted in favor of the resolution. Following the AGM, we will continue to monitor how Moody's climate plans develop further.

Total SA

Total SA explores for, produces, refines, transports, and markets oil and natural gas. The Company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins. Total operates gasoline filling stations in Europe, the United States, and Africa.

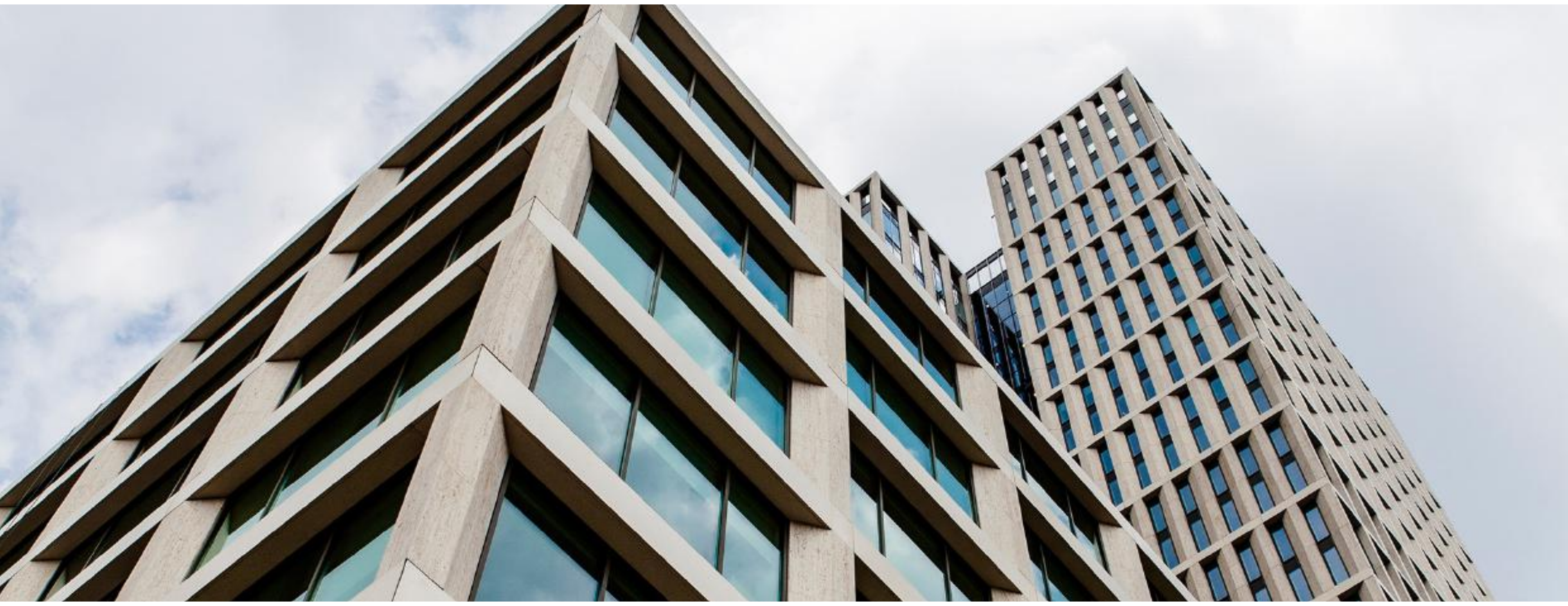
Meeting date: 17 May 2021
Total meets several of the criteria Robeco uses to assess Say on Climate votes. In particular, the company has set a Net Zero Carbon Target or Ambition, and concrete plans and intermediary targets in the short and medium term have been published. Further, the proposal is based on Paris-aligned scenario analysis, and progress is reported in line with the TCFD framework.

However, Total will not be asking for shareholder approval on an annual basis. The reason is that the legal system in France makes it difficult to implement an annual vote on such a proposal. We will continue to monitor this, as we would prefer regular votes. Total has set scope 3 targets for 2050 and 2030 and short-term targets are only available for scope 1 and 2. Still, we supported this proposal as it provides a strong framework for further engagement and the company provides disclosure around its emission reduction activities.

Unilever Plc

Unilever plc, together with its subsidiaries, operates in the fast-moving consumer goods industry worldwide. It operates through three segments: Beauty & Personal Care, Foods & Refreshment, and Home Care.

Meeting date: 5 May 2021
Unilever was one of the first global companies that had voluntarily committed to put its climate transition plans before a shareholder vote. The company explained that the proposal sought to promote discussion and engagement with all shareholders on climate issues. The Company provides thorough reporting concerning its climate strategies and initiatives and has made credible plans to mitigate its climate impacts, including an ambition to achieve net zero Scope 1, 2, and 3 emissions by 2039. As such, we supported the proposal.



Robeco's Proxy Voting Approach

Voting Policy

Robeco encourages good governance and sustainable corporate practices, which contribute to long-term shareholder value creation. Proxy voting is part of Robeco's Active Ownership approach. Robeco has adopted written procedures to ensure that we vote proxies in the best interest of our clients. The Robeco policy on corporate governance relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). Our voting policy is formally reviewed at least once a year. We also take into account company specific circumstances and best practices when casting our vote. By making active use of our voting rights, Robeco can, on behalf of our clients, encourage the companies to increase the quality of the management of these companies and to improve their sustainability profile. We expect this to be beneficial in the long term for the development of shareholder value.

External Credibility

Robeco's integrated approach to active ownership is widely recognized as best practice in the asset management industry. The quality of our approach was confirmed in the UN PRI assessment, where we attained the highest possible score (A+) for active ownership, and in a recent survey by Share Action, who ranked Robeco amongst the top performers in their survey 'Responsible Investment Performance of European Asset Managers'.

Robeco's Active Ownership Team

Robeco's voting and engagement activities are carried out by a dedicated Active Ownership Team. The team is based in Rotterdam, the Netherlands, and Hong Kong. As Robeco operates across markets on a global basis, the team is multi-national and multi-lingual. This diversity provides an understanding of the financial, legal and cultural environment in which the companies we engage with operate. The broad expertise of the Active Ownership team is complemented by access to, and input from, investment professionals based in local offices of Robeco around the world. Together with our global client base we are able to leverage this network to achieve the maximum possible impact from our Active Ownership activities. The Active Ownership team is part of the Robeco SI Center of Expertise and is headed by Carola van Lamoen.

About Robeco

Robeco Institutional Asset Management B.V. (Robeco) is a pure play international asset manager founded in 1929. It currently has offices in 15 countries worldwide and is headquartered in Rotterdam, the Netherlands. Through its integration of fundamental, sustainability and quantitative research, Robeco is able to offer institutional and private investors a selection of active investment strategies, covering a range of asset classes.

Sustainable investing is integral to Robeco's overall strategy. We are convinced that integrating environmental, social and governance (ESG) factors results in better-informed investment decisions. Further we believe that our engagement with investee companies on financially material sustainability issues will have a positive impact on our investment results and on society.

More information can be found at: https://www.robeco.com

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