

Additional Proxy Voting Disclosures 2019

Our Active Ownership team has been voting on behalf of Robeco's clients since 1998. All proxy voting activities are carried out by dedicated, in house voting analysts in the Active Ownership team, who vote on behalf of clients at roughly 6,000 meetings per year. This document outlines the rationale behind our votes at some of the most notable shareholder meetings of 2019.

Robeco's [Proxy Voting Policy](#) guides our voting analysts' decisions at all shareholder meetings we vote at. The policy clearly lays out our expectations towards companies in terms of corporate governance practices, but increasingly also on disclosures on environmental and social topics.

Each year, several shareholder meetings in particular capture the attention of many stakeholders. This could be, for instance, because of a key shareholder resolution on a salient environmental issue, egregious remuneration practices that have made headlines, or a company embroiled in a scandal.

Robeco engages with issuers and resolution filers around such meetings to ensure a well-informed voting decision is made. We also are active members of organizations such as Eumedion and the Asian Corporate Governance Association (ACGA), which help alert us to controversial agenda items.

This document highlights some of the most notable shareholder meetings over the course of 2019, describing how our proxy voting policy was implemented in practice.

ING Groep N.V.

ING Groep N.V. is a global financial institution. The Company provides retail and wholesale banking services to private clients, small businesses, large corporations, financial institutions, and governments.

Meeting date: 23/04/2019

ING's AGM in 2019 offered shareholders the opportunity to voice concerns about internal control failings leading to a record settlement with the Dutch public prosecutor. The ratification of supervisory and management board acts is usually a routine item on shareholder meeting agendas. However, we voted against both agenda items in 2019, refusing to discharge the executives and directors from liability for their actions within the previous reporting year.

Our concerns related to ongoing oversight failures with regard to client due diligence and anti-money laundering controls. The company had acknowledged that these failures were due to "collective shortcomings at all responsible management levels". We believe the management board is responsible for maintaining strong internal controls, and that the supervisory board plays a key oversight role in ensuring these are fit for purpose and appropriately reviewed. Both bodies inadequately fulfilled their responsibilities around due diligence and anti-money laundering policies and processes, therefore warranting a vote against the ratification of their acts in fiscal year 2018, up for vote at their 2019 shareholder meeting.

Over half of ING shareholders also voted against these proposals, with the AGM ultimately not discharging the executive and supervisory boards from legal liability against the company.

Telecom Italia S.p.A.

Telecom Italia S.p.A. offers fixed line and mobile telephone and data transmission services in Italy and abroad.

Meeting Date: 29/03/2019

Telecom Italia saw one of the first big proxy fights of 2019, and Robeco engaged with both the current board members nominated by Elliott and the dissident shareholder Vivendi to understand both sides' arguments. Vivendi had put forth proposals to remove and replace five board members in order to wrest perceived control of the board from Elliott.

After carrying out an objective assessment of the dissident's arguments, and bearing in mind the interests of long-term shareholders of the company, we opposed Vivendi's proposals. We found insufficient evidence to suggest the revocation and replacement of directors would enhance independence and good governance practices. Another important factor was the proponent's own poor governance track record, and the fact that strategically, no clearly differentiated path was set forth. Therefore, with limited reason to support such far-reaching proposals, we found them to not be in shareholders' best interests.

Vivendi eventually backed out of the fight at the AGM, having failed to secure the necessary support. Towards the end of 2019, a more cooperative and orderly approach to improving Telecom Italia's governance had been agreed upon by the major shareholders.

ASR Nederland N.V.

ASR Nederland N.V. is one of the largest insurance companies in the Netherlands. The Company offers a wide range of financial products such as corporate and individual pensions and life, health, travel and leisure and funeral insurance.

Meeting Date: 22/05/2019

The 2019 AGM of ASR Nederland garnered nation-wide attention due to the proposed amendments to the company's remuneration policy. The proposal sought to eliminate all variable-based pay and only retain the fixed-salary and pension contribution components of the remuneration policy. This change was prompted by national concerns that Dutch executives were receiving excessive salaries based on performance criteria that were either not disclosed or easily attainable. Internationally however, an elimination of variable pay raised concerns around the link between long-term shareholder value and management incentives would be diminished.

In the Netherlands, a ceiling of 20% of the fixed remuneration applies for the variable remuneration of employees of Dutch financial institutions, in order to limit the impact of individual key performance indicators (KPIs) on the total remuneration. Given this market norm, we supported the amendments to ASR's remuneration policy and voted in favor of the proposal.

Qantas Airways Limited

Qantas Airways Limited provides transportation of passengers through two airlines including Qantas (full service carrier) and Jetstar (low cost carrier), operating international, domestic and regional services.

Meeting date: 25/10/2019

Qantas Airways held a shareholder meeting in Sydney on 25 October 2019 under renewed pressure for a second year in a row over the forced deportation of asylum seekers. In 2019, we supported a shareholder proposal calling on the listed Australian flag-carrier to review its involvement in forced deportations of refugees and asylum seekers. With close to a quarter of shareholders voting in favor, the vote was significantly up from just 6% for a similar resolution filed the previous year, yet with major changes in the wording.

The previous resolution had asked the company to cease a business relationship on the grounds of potential human rights impacts. In 2019, the proposal requested an in-depth review of policies and processes. We believe that this amended resolution puts forth a smart request that tackles a material risk for the company and constitutes a reasonable ask to the Board without being overly prescriptive.

The risks associated with the company's commercial decision to participate in the activities associated with its Australian government contract would be mitigated by the implementation of a commensurate human rights' due diligence process. Qantas' participation in involuntary transportation produces material brand risk, potentially undermining its social license to operate. Shareholders would benefit from additional information in order to assess how the company is managing and mitigating such human rights related risks.

BHP Group Limited

BHP Group Ltd operates as an international resources company. The Company offers mineral exploration and production, including coal, iron ore, gold, titanium, ferroalloys, nickel, and copper concentrate, as well as petroleum exploration, production, and refining.

Meeting date: 07/11/2019

Long-term shareholders see climate change and company responses to it as a material financial risk and opportunity, especially in some highly exposed sectors. BHP Group, the mining giant, operates in one of these high-impact sectors and is subject to much scrutiny due to its size and influence.

At the 2019 AGM, shareholders filed a resolution asking the company to review its memberships in industry associations and suspend those whose goals and actions are not aligned with the Paris Agreement on climate change. We supported the proposal as alignment with the Paris Agreement is an important measure of climate readiness, and the resolution seeks to strengthen responsible lobbying practices. In particular, the resolution would help ensure consistency between company action and the political and industry influence it can exert.

Many shareholders, including ourselves, perceived BHP to already be a leader in responsible lobbying in its sector. In 2017, the company published its first industry association review in response to a shareholder proposal similar to the one seen in 2019. In response, BHP has conducted two industry association membership analyses, with the latest report published in December 2019. The report did not lead to further suspensions of memberships, but did identify material misalignments, which BHP committed to resolving through engagement.

Nonetheless, at the time of the vote, this report was not published yet, and we sought to underline the importance of conducting such an analysis thoroughly by voting in favor of the resolution.

Occidental Petroleum Corporation

Occidental Petroleum Corporation explores for, develops, produces, and markets crude oil and natural gas. The Company also manufactures and markets a variety of basic chemicals, vinyls and performance chemicals.

Meeting date: 31/12/2019

In 2019, Occidental Petroleum was the subject of an outreach by the activist investor Carl Icahn. Under the banner of outrage for failing to ask shareholder approval on a transformative acquisition and other governance failings, Icahn sought to mobilize at least 20% of Occidental shareholders into action.

The dissident intended to make use of Occidental's current governance provision allowing shareholders to act by written consent. Yet, this proved to be complex as 20% of shareholders had to request the board of directors to set a record date, on which the shareholder register may be determined for the actual written consent process. In response, the company issued opposing proxy cards, asking for the mandate to revoke this request to fix a record date. We voted against this authority to revoke the request at such an early stage.

The dissident's final objective was to replace four board members with his own nominees, and to make company bylaws more shareholder friendly. The vote in 2019 did not concern the board nominees and their suitability yet. Instead, it was a matter of principle to allow shareholder concerns to be brought forward in an orderly manner, no matter if we were to support Icahn's final proposals to change the composition of the board.