ROBECO

Proxy Voting Season Overview

JANUARY – JUNE 2020

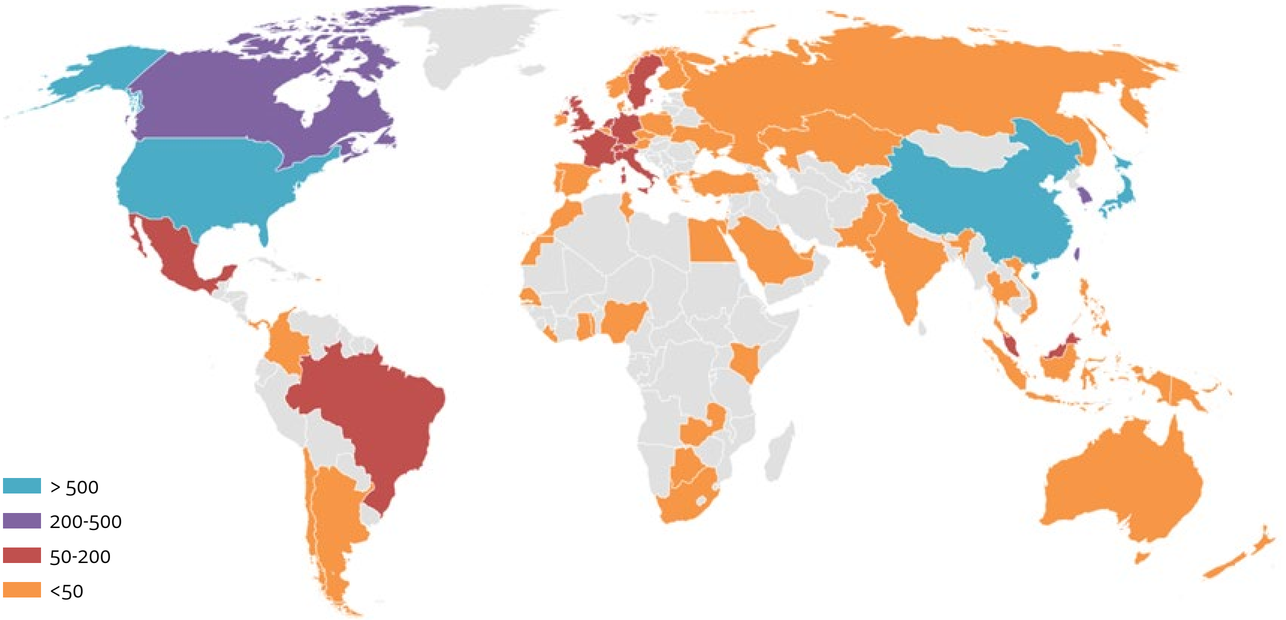
5,215 | Meetings voted

58,437 | Proposals voted

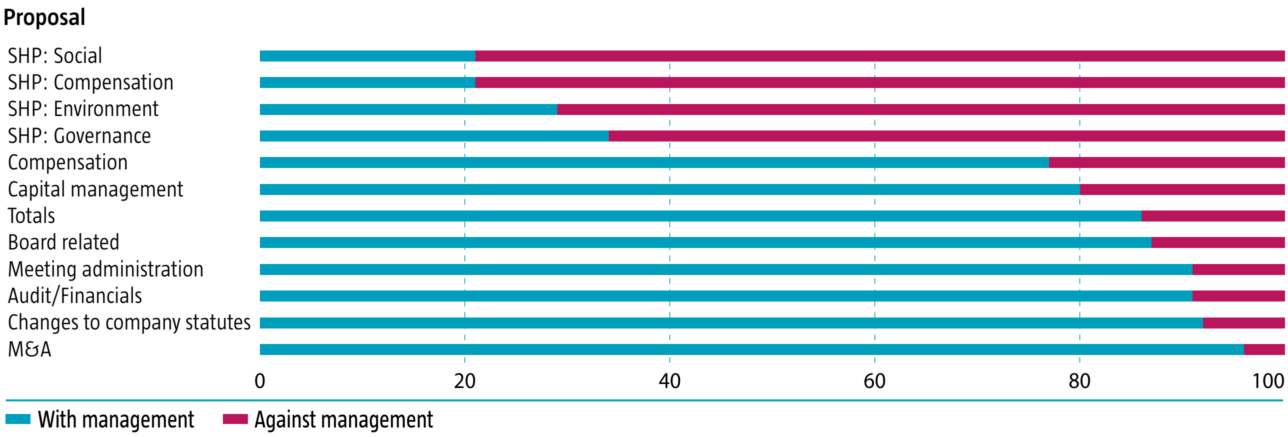
64% | % meetings voted against management

76 | Countries where we voted

Shareholder Meetings by Country and Region



Voting Activity per topic



% Votes in favor of shareholder resolutions

71% | Environmental

78% | Social

71% | Corporate Governance

Contents

Every AGM season, we prepare to address a variety of corporate governance topics that are relevant for companies and their stakeholders. This period always represents a busy time for the Robeco Active Ownership team and this year in particular we overcame a variety of challenges due to COVID-19.

As shareholders, we get to vote on topics such as board nominations, remuneration policies, and capital management practices. Our voting policy is the basis for casting our votes. The 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 towards shareholders and other stakeholders are important core values of the Robeco voting policy.

In addition to the typical governance related proposals, a broad range of environmental and social issues gains increasing attention through shareholder proposals. Shareholder proposals are used by us and other shareholders in conjunction with engagement efforts to improve a company's ESG performance. This year, Robeco has both supported numerous shareholder proposals and co-filed several of our own. In the first half of 2020, we voted upon nearly 60,000 proposals at over 5,000 shareholder meetings across 76 countries. Through this report we are pleased to share our insights from the 2020 voting season.

Carola van Lamoen
Head of Active Ownership

Proxy voting in times of COVID

As companies attempt to come to grips with the new reality of a coronavirus pandemic, few aspects of 'business as usual' have remained untouched. The ritual of annual general shareholder meetings (AGMs) is no exception, and the 2020 voting season was met with much uncertainty.

To deal with the new reality of COVID-19, many companies had to find alternative methods of holding a shareholder meeting, such as postponing it to a later date. Markets have different legal timelines requiring companies to hold their AGMs after the closure of the fiscal year. While companies made the choice whether to postpone their AGMs individually, regulators extended the legal deadlines to hold AGMs. Investors expect certain markets to hold their AGMs at the same times each year and prepare accordingly. When these timelines are reshuffled, an even more concentrated season can mean less time to analyze important proposals at AGMs and to engage with issuers.

Other shareholder meetings were moved online, which can have advantages such as reduced costs, and better accessibility for shareholders, according to law firm Norton Rose Fullbright. But we have generally been wary of this trend. Even though more shareholder can tune in, the quality of debate can suffer drastically. The largest concern is an inability to ask questions or the board cherry-picking comments to respond to. Some best practices have emerged, such as opening a forum ahead of time for shareholders to submit queries, holding a live Q&A as would have been the case in person, and the (tele-)presence of all board members.

On the other end of the spectrum, some companies simply streamed a video link on the internet. This format can hardly be called a shareholder meeting if shareholders are not invited and have no method of participating.

In these circumstances, prudence is understandably top of mind. Companies should be given some leeway to minimize disruption and protect the health and safety of employees and shareholders. But the way in which companies do respond draws our attention once more to the importance of the annual general meeting, which helps to maintain board accountability towards shareholders.

Proxy voting bends but does not break

At the beginning of Q2, uncertainty around the impact of the Covid-19 pandemic on the 2020 AGM season was still widespread. As we look back on the busiest part of the proxy voting year now, we see that many of these concerns did not materialize. But there were undoubtedly some relatively significant changes.

A comparison of the number of AGMs held in Q2 2019 and Q2 2020 shows the most obvious impact investors had to contend with. The total number of AGMs registered to have taken place in this timeframe has dropped by 7% compared to the previous year. That seems like an improvement but looking more closely at the progression of meetings each month unveils the underlying challenge. April and May saw less meetings compared to the previous year by 24% and 15% respectively. This in turn meant that meetings in June, already one of the busiest months, increased by 13%. With over 1,000 meetings originally scheduled for April and May cancelled or postponed, June has been exceptionally demanding for investors and it can reasonably be expected that slightly elevated numbers of meetings will continue for several months as rescheduled AGMs are held.

What doesn't change, no matter the timing of AGMs, is the need to carefully analyze proposals up for vote. This year more than ever, though, it was vital to consider their merit within a broader societal and economic context. Dividend proposals and executive compensation were placed in the spotlight as a barometer for companies' responses to the pandemic. Investors, regulators, and the media all waded into the debate on what a conscientious and prudent distribution of remuneration and profits should look like.

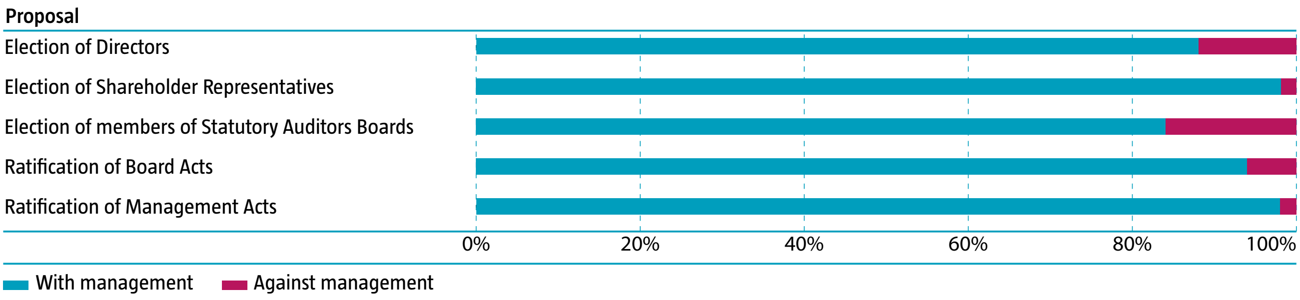
We believe that the most important element of companies' chosen actions is transparency. For instance, whilst financial regulators in Germany issued guidance to companies in the sector to cut dividends, we still supported corporates that paid out dividends and were able to demonstrate a strong solvency and liquidity position in response to the regulator's opinion. Similarly, we expected convincing reporting on how boards came to executive remuneration decisions considering the pandemic's effect on workforces and society. In most cases, we saw proactive choices from compensation committees.

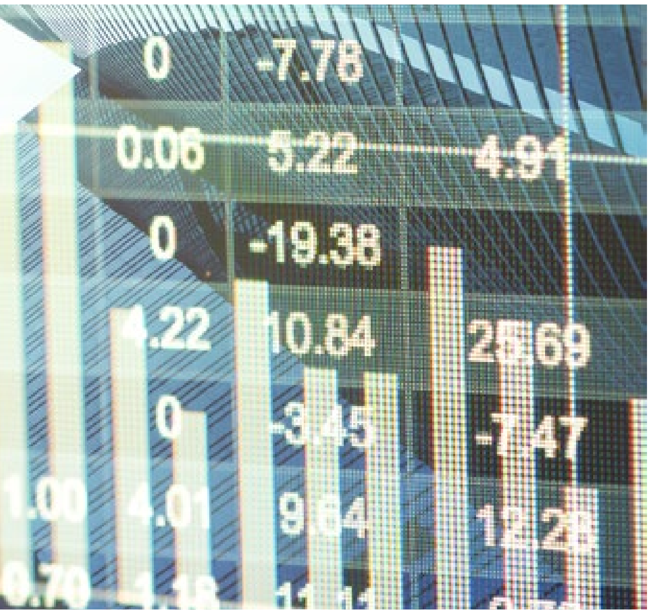
It is worth noting that many compensation proposals up for vote this quarter were backward looking, covering the 2019 financial year. That means we will only be able to fully judge decisions made in 2020 at next year's AGMs. With that in mind, we know the Covid-19 pandemic will remain an important consideration for a long time. Over the next months and years, shareholders will gain more clarity on whether boards acted responsibly during this crisis. Where that has not been the case, we will hold boards accountable in future

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 2020 Proxy Voting Season.

Voting activity by a selected sample of proposal types





Amdocs Ltd.

Amdocs Limited provides information system solutions to major telecommunications companies in the United States and internationally. The Company provides integrated customer care and billing systems for wireless and wireline network operators and service providers, as well as for companies that offer multiple service packages.

Meeting date: 31 January 2020
At the Amdocs Ltd. AGM in 2020, we voted against the re-election of the Chair of the Nominating Committee to the board of directors. Our vote was driven by concerns around a lack of diversity on the board.

Diversity has steadily climbed the priority list for many investors that believe good governance practices foster shareholder value over the long run. In theory, the board should be as diverse as the shareholder base itself. As supervisors of a company's management and representatives of shareholders, the board of directors plays an important part in protecting investor capital. Dimensions of diversity are broad, encompassing educational background, nationality, ethnicity, and gender, among others. In 2020, we raised our expectations regarding the gender balance on boards. In developed markets, where the discussion around gender diversity has circulated for quite some time, we believe companies should have made reasonable progress towards a better gender balance on the board by now.

Amdocs' board composition has similar characteristics to other American corporate boards – it comprises ten members, nearly half of whom have served on the board for well over 15 years, an average age of nearly 65 years, and only one female director being nominated in 2020. This constitutes a clearly insufficient effort to bring more diverse voices to the boardroom, and therefore a failure to properly implement the principles of good governance. The Chair of the Nominating Committee bears responsibility for this failure. A vote against his re-election was warranted to send a clear signal to the company that board diversity is being taken seriously by institutional investors globally.

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: 27 May 2020
As an oil major Exxon and its peers are facing increasing scrutiny of their handling of climate-related topics. Historically, Exxon has been a laggard on these issues. This was exemplified again last year when the company blocked a shareholder proposal filed by Climate Action 100+ that called for the company to report on the alignment between its strategy and the Paris Agreement. Keeping such shareholder proposals off the agenda appears to be the company's strategy to limit shareholders from expressing their discontent with the company's stance and actions towards climate change.

We voted against lead director Kenneth Frazier as well as CEO Darren Woods, because we see the company's failure to address climate change as a structural issue and believe the full board is responsible, not just the E&S committee. The chair and lead director are responsible for putting the climate dialogue on the agenda and their inaction on the matter merits a vote against. Director Braly only became the chair of the E&S committee in 2019 and as such is relatively new to her role. Additionally, Braly is one of only two women on the board. Therefore we decided to support this director this year but will monitor her performance as chair of the E&S committee in the future.

The rising discontent of shareholders will become more difficult to ignore for Exxon. Last year, the company's lack of addressing climate change led to one of its top 20 shareholders divesting from the company. Such actions show that Exxon will have to start listening to its shareholders or risk increasing shareholder action in the future.

Samsung Electronics Co., Ltd.

Samsung Electronics Co., Ltd. manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, peripherals, monitors, televisions, and home appliances.

Meeting date: 18 March 2020

Independence is one of the various aspects we pay attention to when assessing the overall composition and effectiveness of a board. We wish to see boards that are capable of truly objective oversight while also having the skillsets and experience to understand the context in which management is operating. We believe that an independent board with adequate oversight will contribute to enhance and protect long-term shareholder value.

The board of directors at Samsung has experienced a relatively high turnover in recent years. Most recently, the chairman of Samsung Electronics' board resigned from his role just two months after being found guilty of 'union sabotage'. In December, he was sentenced to 18 months in jail after a High Court ruled that he had violated labor laws by disrupting union activities at Samsung. His resignation comes as Samsung Group heir Jay Y. Lee is facing a retrial over a bribery scandal that has engulfed Samsung executives and South Korea's former president.

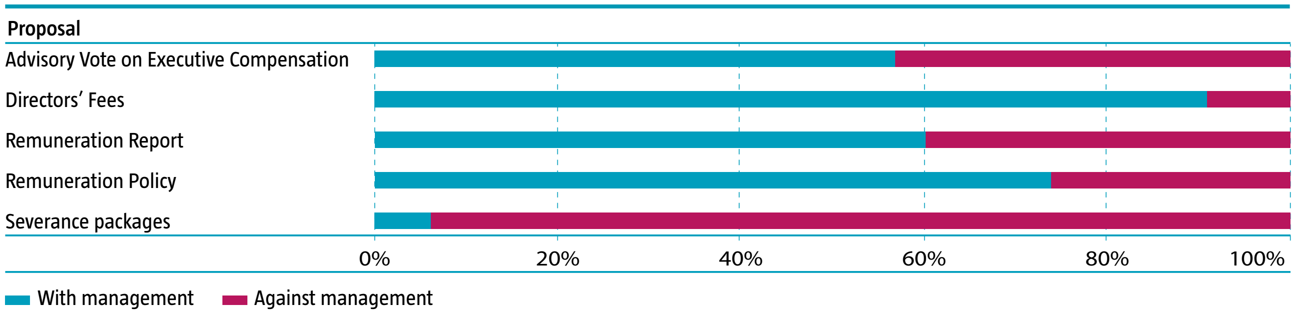
During the company's 2020 annual shareholder meeting, several notable changes to its board composition were proposed, including the election of a new independent Chairman. Director Bahk, the incoming independent Chairman of the board, was proposed for this role due to his board tenure of four years and previous position as Minister of Finance and Employment. Proxy advisory agencies have questioned the new Chairman's independence due to his affiliation with a university that received a donation from Samsung in the past. However, from previous conversations with the company, we have been assured that director Bahk is fully independent and has retired from his previous positions which raised these initial concerns. Therefore we supported his nomination at the shareholder meeting.

Additionally, the board nominated two new directors with the aim of enhancing expertise on key topics not sufficiently covered by the current board and contributing to board refreshment. Both nominees bring valuable skillsets to the board given their expertise within various operational departments at Samsung. One nominee is the newly appointed CFO who will be tasked with drafting the new shareholder return policy. Based on these positive characteristics of the nominated directors, we supported their election Samsung's board at their most recent annual shareholder meeting.

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.

Voting activity by a selected sample of proposal types



Visa Inc

Visa Inc. operates a retail electronic payments network and manages global financial services. The Company also offers global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses, and government entities.

Meeting date: 28 January 2020
Large US companies regularly put suitably large executive compensation plans up for vote at their annual shareholder meetings. The numbers alone can make for impressive reading, but shareholders have to balance strengths and weaknesses in compensation plans before reaching a voting decision. At Visa's AGM this year, we perceived the weaknesses to outbalance the strengths and voted against the Advisory Vote on Executive Compensation.

The Advisory Vote on Executive Compensation (say-on-pay) is a non-binding resolution whereby corporates publish a report outlining how compensation policies have been applied to executives' remuneration in the past year. It has no legal weight, so even a majority disapproval will not block payments to the CEO. However, the say-on-pay performs an important signaling role, allowing shareholders to put the board on notice that they believe compensation plans are not sufficiently aligning interests between investors and executives.

In the case of Visa, two factors contributed to our vote against the say-on-pay: height and structure. First, despite good financial performance in the preceding year, we found the total quantum of remuneration for the named executive officers to be excessive. Understanding that retaining top executive talent is a priority for global corporations, we find that companies need to be prudent in maintaining a reasonable height of total compensation. With reported CEO pay of nearly USD 25 million last year, we found Visa to fall foul of that expectation.

Second, the compensation plan's structure did not match best practice. Under the long-term incentive plan (LTIP), we would expect a diversified set of return-based metrics with performance measured over at least a 3-year period. Visa's LTIP is heavily skewed towards rewarding earnings-based performance, and measures this on an annual timescale. This may fail to properly reflect the exposure of long-term shareholders to the company's value creation. Finally, the LTIP also makes significant use of stock option awards, which are not tied to company performance. Options can create undesirable incentives, as their value is driven by volatility, once again not aligning with the priorities of a long-term investor. In aggregate, these factors meant that we were unable to support the compensation proposal at Visa's AGM.

Wolters Kluwer NV

Wolters Kluwer NV is a global information services and solutions provider. The Company provides its services to professionals in the health, tax and accounting, risk and compliance, finance, and legal sectors.

Meeting date: 23 April 2020
The executive remuneration policy at Wolters Kluwer has been an ongoing source of shareholder concern as the company has gained a reputation for having the highest paid CEO in the Netherlands. Although management should be sufficiently incentivized to create shareholder value, pay practices should also take market and industry standards into consideration.

The European shareholder rights directive requires company to request shareholders' approval for their remuneration policy on a regular basis with an approval threshold of 75% of outstanding shares. At this year's AGM, the company proposed a new management remuneration policy which only had a few changes compared the previous policy. These changes were predominantly positive such as the inclusion of predefined performance metrics that the board can choose from in determining the bonus, which used to be completely at the board's discretion. The company also implemented shareholding requirements for the top executives, and post vesting selling restricted to the variable pay. However, there are still serious concerns about the quantum of pay for the CEO.

The company maintains that it should be viewed as a US company, since a large portion of their revenues stem from the US. Half of the companies in the company's peer group are US and the other half is European, but if the entire group consisted of

US companies, then remuneration would have been double the current quantum. Nonetheless, due to the already concerning quantum, the proposed remuneration policy was voted down during the AGM since 47.9% of shareholders voted against the proposal, failing to achieve the 75% approval threshold. This means that the old remuneration policy will stay in place until further notice, and the board will have to put forth a newly revised policy for shareholders to vote on.

In our dialogues with Wolters Kluwer, they have always mentioned that there is broad support for the remuneration policy. However, we voted against both the remuneration policy and report due to the board's insufficient acknowledgement of shareholder concerns. We hope that after this outcome, Wolters Kluwer will be more open for feedback on their remuneration practices from shareholders.

McDonald's Corp

McDonald's Corporation franchises and operates fast-food restaurants in the global restaurant industry. The Company's restaurants serves a variety of value-priced menu products in countries around the world.

Meeting date: 21 May 2020

We voted against the advisory vote on executive compensation at McDonald's shareholder meeting held on May 21st. Our main concern related to the equity award treatment upon termination awarded to the departing CEO, who breached the company's Standards of Business Conduct. This proposal received 20% of votes against from McDonald's shareholder base at the general meeting.

McDonald's terminated its former CEO's employment in November 2019 after the board determined that he violated the company's policy by engaging in a consensual relationship with an employee. Although we commend the board's decision to hold executives accountable for their behavior, we recognize that the board used its discretion to allow a large portion of his outstanding options to vest years after his departure. In fact, the departing CEO would not have received this equity treatment had his departure been classified as a termination for cause in connection with the policy violation.

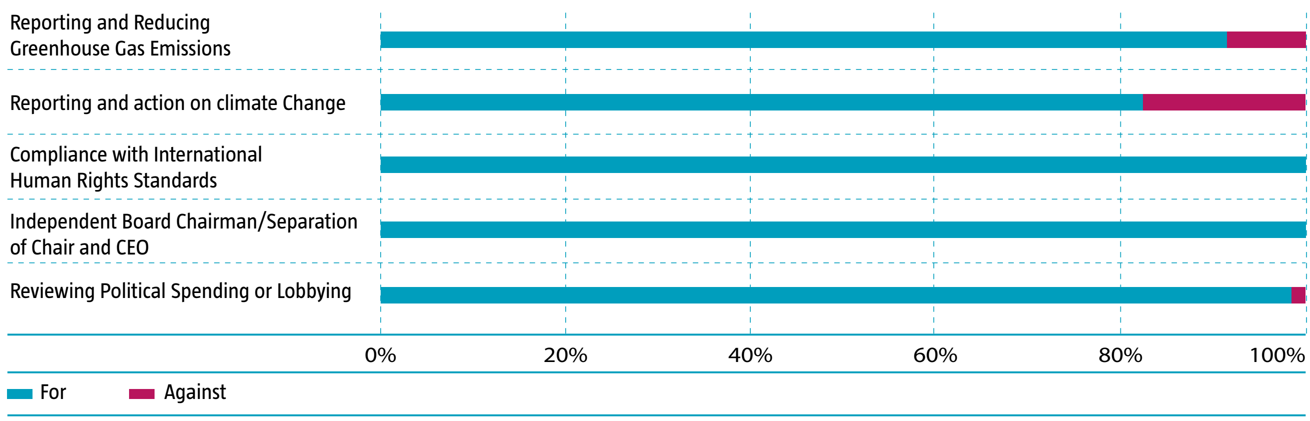
According to the termination agreement, the departing CEO will walk away with USD 14 million in prorated performance-based equity and over USD 28 million in unvested options. Options will continue to vest even though he is no longer with the company, meaning that he can reap the benefits of any stock price appreciation at McDonald's without directly contributing to its success three years after his departure. On the other hand, his performance-based restricted stock is prorated to his termination date, which we deem a more sensible treatment of his equity awards. A forfeiture of his outstanding stock options, or at least proration, would have been a more appropriate decision from the Compensation Committee to incentivize adherence to the company's Standards of Business Conduct.

We believe that exempting the CEO from crucial provisions around corporate policy has a negative potential impact on the company's culture. The decision to continue the former CEO's option vesting can be interpreted as a lack of commitment to the company's stated policies and ethical commitments. We consider that the board should have recognized the potential reputational impact of its decision in determining the generous severance terms for the departing CEO.

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



Apple Inc

Apple Inc. designs, manufactures, and markets personal computers and related personal computing and mobile communication devices along with a variety of related software, services, peripherals, and networking solutions.

Meeting date: 26 February 2020
Apple's shareholders were asked to vote on a shareholder proposal that requested the company to uphold freedom of expression globally and be more transparent in how it responds to the Chinese government's demands to restrict certain apps. The US Securities and Exchange Commission denied Apple's request to block the shareholder vote on the resolution. We supported this resolution and it ended up getting more than 40% of votes in favor from shareholders.

Although Apple is regarded as a leader in privacy, we note that there is a lack of information on the company's approach to the right of freedom of expression, and has yet to make a public commitment to uphold this right. The company scores very low in the Ranking Digital Rights on the topic of freedom of expression, lagging behind US counterparts. This index works to promote freedom of expression and privacy on the internet by creating global standards and incentives for companies to respect and protect users' rights.

Apple has operations and sales throughout the world, yet China is both a huge market for Apple, representing 20% of global sales, and it is an essential part of its supply chain, manufacturing the iPhone and many other products. Conducting business operations in certain markets such as China can present significant legal and reputational risks, some of which are on account of potential human rights violations. Peers such as Microsoft, which also operates in this market, have a much stronger public stance on freedom of expression and how they take that into account when facing government requests to remove content.

All this presents a threat to Apple's business, serious risk to its reputation and a significant challenge to manage. Shareholders need to understand these risks, how the board is overseeing these challenges, and the company's policies and practices to balance these competing demands. We believe that enhanced transparency on this matter would allow shareholders and stakeholders to better understand how Apple is ensuring the freedom of expression of its users.

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: 3 June 2020
We co-led the filing of a shareholder proposal at Alphabet's Annual General Meeting (AGM) requesting the company to establish a human rights risk oversight committee at the board level, comprised of independent directors with relevant experience. Alphabet reported that 16% of shareholders voted in favor of our resolution. With approximately 53% of Alphabet's voting rights controlled by the company's executive officers and board members, support for the resolution translates to roughly 45% of the non-controlling shareholder votes.

Alphabet has been reluctant to establish a dialogue with shareholders on ESG topics. Prior to filing the resolution, we coordinated an engagement letter which was signed by 83 investors worldwide representing 10 USD trillion in AUM. The company acknowledged receipt of the letter, but continued to reject establishing a dialogue with shareholders. The lack of responsiveness from the company prompted the filing of this shareholder proposal at the company's 2020 AGM.

Alphabet's technologies, products, and services have transformed users' daily lives and the global economy. As a result, Alphabet's internal decisions can have far-reaching consequences for individuals and society. Its business model presents inherent material risks, including regulatory, reputational and human capital risks. Given shareholders' own commitments to conduct human rights due diligence under the United Nations Guiding Principles (UNGPs), we have a responsibility to ensure the company is overseeing such risks at the highest level.

Because these risks are relevant to every Alphabet subsidiary and technology, and inherent in the Company's business model, it is imperative that a commitment to human rights is codified at the highest level of the Company for the purposes of oversight and accountability. While the Board is accountable to investors, it is unclear which criteria and processes are used to determine when and how the Board becomes involved in overseeing human rights risks, nor whether it has sufficient time and expertise to manage these specific risks.

In the current board structure, the Audit Committee has considered topics related to human rights, including the company's ongoing work to address harmful content and commitment to privacy across all its product areas. However we do not believe that the board's current committee structure can provide sufficient attention to auditing, environmental sustainability and human rights topics. Moreover the existing board committee members do not have sufficient relevant human rights experience to effectively oversee these matters.

We are concerned regarding Alphabet's failure to engage around this issue and to provide meaningful disclosure around how it ensures appropriate oversight is afforded to this vast and expansive issue from the audit committee. Accordingly, we believe that creation of the proposed committee would serve the company and shareholders' interests.

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: 7 May 2020
At Barclays' 2020 AGM, investors were presented with two strong, binding climate resolutions. Both management and shareholders put forth separate climate proposals, an unprecedented occurrence. Having engaged with Barclays' Chairman and the shareholder resolution's proponent, ShareAction, we supported both the management and shareholder resolutions regarding the bank's climate change strategy.

Shareholders have lauded the banks ambitions as outlined in management's own proposal. The company has committed to becoming a net zero bank across Scopes 1, 2, and 3 by 2050 to align with the Paris Climate Agreement. In engagement with the company, it became clear that many details of this strategy's implementation still needed to be ironed out, but Barclays' promise to bring more information to shareholders before the end of 2020 allayed this concern to some extent. Well-designed climate strategies require extensive preparation, and the bank's plans to engage various stakeholders in its planning were evidence of a robust approach.

Meanwhile, the shareholder proposal filed at Barclays' AGM outlined a matching focus on alignment with the Paris Agreement with a more concrete request. The resolution was somewhat more granular in its initial sectoral focus, but Barclays agreed that the energy sector would also be an initial target in its climate strategy under management's proposal. Furthermore, the shareholder resolution's request involved a phasing out of non-Paris compliant financing whilst leaving management sufficient leeway in defining Paris alignment and necessary phase out timelines. We were convinced that these resolutions could co-exist and pull management in the same direction of becoming a net-zero bank. We believe, and the company had acknowledged, that implementing the bank's proposed strategy will involve following the approach outlined in the shareholder proposal in future, and thus saw no material conflict between the resolutions.

Shareholders overwhelmingly supported management's proposal, but rejected ShareAction's resolution. Nonetheless, nearly a quarter of shareholders did support the shareholder resolution, sending an important signal to the company that investors have high expectations for the implementation of its strategy.

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 2020
Not all shareholder proposals are created equal. This was especially evident at Chevron's recent AGM where the National Center for Public Policy Research (NCPPR) filed a proposal requesting an annual report on lobbying activities. At first glance, the proposal simply aims to increase disclosure and transparency – two aspects that typically garner widespread shareholder support. However, further investigation reveals that the proponent's intentions were much more subversive. The NCPPR is known as a conservative think-tank in the US that supports free-market solutions to issues of public policy and sustainability. If necessary, the center will also obstruct initiatives that oppose its political agenda, which is what occurred at the Chevron AGM.

The Securities and Exchange Commission (SEC) in the US allows corporations to exclude any resolution from its proxy materials that is substantially similar to one it has already received. This regulation prevents shareholders from having to vote more than once on the same proposal and saves corporate resources from being spent on redundant shareholder concerns. However the NCPPR utilized this rule to undermine a shareholder proposal that would have been filed by As You Sow, a shareholder advocacy non-profit organization. The NCPPR explained their actions in their latest investor guide report: "We knew with a high degree of certainty that 'As You Sow' would target Chevron with one of its sham proposals attacking its membership in certain trade associations. So we filed a proposal – and did it early – that mirrored the same operative language that AYS normally uses, but we completely reversed the rationale". In the end, the proposal that was genuinely filed by As You Sow was rejected by the SEC for being too similar to the anti-social NCPPR proposal.

During the AGM we voted against the NCPPR proposal on lobbying and it failed to pass by only gaining 29% support from shareholders. While we agree with the aim of enhanced transparency around lobbying activities and industry associations, shareholder proposals should not be used to undermine the material concerns of other shareholders.

Equinor

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: 14 May 2020

Equinor's 2020 AGM saw an onslaught of shareholder proposals aiming to influence the company's climate strategy and environmental management. Several proposals attempted to impose restrictions on the company's exploration activities, either requesting an outright ban on such processes or by excluding certain areas. Many of these overstepped shareholders' purview in terms of climate strategy, prescribing a fixed path that management must follow. However, among the slew of climate proposals at the AGM, proposal 9 on setting net carbon intensity targets stood out as a smart, constructive resolution. The proposal asked for short-, medium-, and long-term reduction targets covering Equinor's Scope 1, 2, and 3 carbon intensity. It also made reference to the Paris Climate Agreement's goal to limit global warming to well below 2°C above pre-industrial levels, an aim that we expect oil and gas companies to align with in their climate strategy. We voted for the resolution.

The proposal was framed in a supportive manner, seeking to underpin the company's existing climate commitments with quantitative targets over various timeframes. Earlier this year, Equinor had published an updated climate roadmap that targeted a significant reduction in the net carbon intensity across all scopes by 2050. The ambition represented a major step forward for the company, which the shareholder proposal also acknowledged. However, a key requirement for making companies accountable for their long term climate ambitions is setting intermediate waypoints in the form of short- and medium-term targets.

Finally, the proposal refrained from imposing absolute targets on Scope 3 emissions, but rather focuses on intensity metrics, which is a constructive approach. This proposal was in shareholders' best long-term interests, as it approached Equinor's role in the energy transition in a balanced, yet demanding manner.

Our support was echoed by 27% of shareholders when excluding the Norwegian state's 67% stake in Equinor. In absolute terms, however, this only translated into 3.2% of outstanding shares being voted in favor.

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: 19 May 2020

Climate change represents the largest and most complex of sustainability issues, in that it is inextricably linked to many of the other challenges present in the world today. We are therefore keen to play our part in ways that reflect our role, approach and strategies as long term responsible shareholders. Furthermore, how a company responds to the challenges presented by climate change now and in the future will have a significant effect on long term shareholder value creation and preservation. Royal Dutch Shell has become an industry leader in coordinating a climate response, but much work remains to be done.

In April, Shell announced their new climate ambition which builds on their 2017 ambition and the joint statement between Shell and a group of institutional investors including Robeco. The new ambition is to have net zero emissions on scope 1 and 2 (emissions from their own operations). Additionally the carbon intensity should be reduced by 65% (compared to Shell's earlier target of 50%). This implies that some carbon related energy will remain for specific clients and applications. In order to become a fully NetZero emissions company, Shell will have to work together with clients and other organization along the value chain. This is a new element of the ambition, which still needs further development in the near future.

During Shell's recent AGM, there was one shareholder proposal filed, requesting Shell to set and adhere to short, medium, and long-term scope 3 emission reduction targets. While we agree with the spirit and of this proposal, our assessment framework for shareholder resolutions informed our abstention on the proposal. Shell has translated their ambition into short term targets and has shown significant leadership in the climate debate. Shell has made significant steps (especially compared to other oil and gas companies) in their efforts for the energy transition.

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: 29 May 2020
Shareholders were asked to vote on a shareholder resolution requesting the company to amend their articles of association to set absolute emissions reduction targets aligned with the Paris Agreement covering all emission scopes. We had conference calls with both Total and the proponents that filed this shareholder resolution to discuss this topic, and incorporated the insights from our discussions in our final analysis. In line with our proprietary assessment framework for climate-related shareholder proposals filed at Oil & Gas companies, we concluded that an abstention was warranted. The content of the proposal itself is supportable. Our framework also looks into what commitments companies already have made. We share the spirit of the resolution, but recognize that the resolution puts additional practical constraints on meeting the company's ambition. We believe that setting absolute emissions reductions targets constrains the company's ability to determine how to provide the energy that customers need while contributing to decarbonization by also supplying lower-carbon energy products.

Total released a joint statement with CA100+ investors at the beginning of May, committing to becoming Net Zero by 2050 for Scope 1-2, including Scope 3 in Europe. They also set a 60% carbon intensity reduction target for energy products used worldwide by Total consumers by 2050, with intermediate steps of 15% reduction by 2030 and 35% by 2040.

According to the Transition Pathway Initiative (TPI) report assessing the carbon performance of European integrated oil and gas companies, none of the companies reviewed will have emission intensity targets in line with the 2 degree scenario established in the Paris Agreement. However, most of the initiatives needed to deliver on this ambition will take place outside of the company's own operations and TPI's intensity calculation cannot capture efforts on these grounds. Total's emission intensity targets are comparable to its European peers and represent one of the most proactive climate ambitions in the industry.

We believe that Total has made significant steps in their efforts for the energy transition, in line with best practices in the oil and gas sector. We welcome the company's openness to formalize this commitment in conjunction with shareholders, and recognize this is the first step to ensure the company operates in line with the Paris Agreement goals.

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 the Robeco Group around the world. Together with our global client base we are able 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.

Sustainability 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 is available at www.robeco.com

ROBECO
The Investment Engineers

1328-09'20