



GENDER EQUALITY

**THEMATIC
ENGAGEMENT**

Q2 2023 Progress Report

July 2023

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INTRODUCTION

This progress report presents the Gender Equality Thematic Engagement activities that were carried out by ISS ESG on behalf of participating institutional investors in Q2 2023.

The report includes an overview of the ISS ESG Thematic Engagement approach as well as details on the Gender Equality Thematic Engagement, including the methodology for target company selection and engagement objectives. It also includes key statistics for Q2 2023, a summary of the engagement stage and number of interactions with all target companies, as well as details of the responses received during the period. The progress against engagement objectives as well as the overall engagement success will be measured and included in the next progress report, as data on the target companies' improvement in their alignment with the requirements for each engagement objective is collected and assessed twice a year.



ISS ESG THEMATIC ENGAGEMENT APPROACH

ISS ESG's Thematic Engagement solution allows investors to participate in a joint outreach and dialogue with companies on material sustainability-related themes. By engaging collaboratively, institutional investors can leverage their scale in discussions on ESG issues and communicate their concerns to corporate management more effectively. ISS ESG facilitates engagement on behalf of participating clients to promote positive change through active ownership and dialogue. This may include ongoing dialogue with companies identified for enhanced disclosure, a push for improved sustainability performance, or the mitigation of ESG risks.

Through ISS ESG's Gender Equality Thematic Engagement, participating investors aim to see an improvement in female representation in leadership positions, measures to promote equal opportunities and diversity, and gender pay gap disclosure.

ENGAGEMENT PROCESS

ISS ESG's Thematic Engagement involves a number of steps carried out over a two-year lifecycle. The process starts by identifying target companies and setting objectives and key performance indicators in line with investor expectations. Both the company selection and the objective setting leverages ISS ESG proprietary data and research, as well as internal expertise.

The engagement dialogue is initiated through letters to companies, sent by ISS ESG on behalf of participating investors. Dialogue may be conducted in writing or through meetings, facilitated by ISS ESG. Some companies require reminders to respond. Should the company remain unresponsive, enquiries are escalated to the CEO and the Board.

At the end of each engagement cycle, ISS ESG will assess the opportunity to extend or close engagements.

ENGAGEMENT OUTCOMES

ISS ESG's Thematic Engagement includes regular measurements of the outcome of the engagement dialogue, both at the level of each objective as well as at an aggregate level of each company engagement. The outcome measurements are based on improvements in each company's alignment with the requirements for each engagement objective, as evidenced by their public disclosures and assessed in the relevant ISS ESG data and research (checked twice a year); as well as ISS ESG's assessment of the quality of each company's participation in the engagement.

REPORTING

Participating investors are informed of the progress of engagements through quarterly and annual progress reports. The reports provide an overview of the engagement stage reached for each company, details of interactions as well as company responses.

In the quarter following the check of the ISS ESG data on the requirements for each objective, the reports also include measurements of progress against each engagement objective as well as the overall engagement success.



GENDER EQUALITY THEMATIC ENGAGEMENT

[Goal 5](#) of the UN Sustainable Development Goals focuses on achieving gender equality and women's empowerment. However, as the World Economic Forum's [Global Gender Gap Report 2022](#) illustrates, disparities between men and women in the workplace persist in the form of pay gaps, uneven opportunities for advancement, and unbalanced representation in important decision-making. Despite some [notable gains](#) in the number of women taking leadership positions and being represented on boards during the last decade, the [glass ceiling](#) continues to impede women from reaching the top in their chosen fields.

Board and leadership positions that [reflect](#) a company's workforce and customer demographics allow for an avoidance of groupthink and ensure a better understanding of stakeholder interests and relevance in the market – initiatives such as the [United Nation's Women Empowerment Principles](#) and the [30% club](#) set out that a minimum of 30% of women in board and executive management positions is the critical mass required to foster real and sustainable change towards gender equality. Providing more opportunities to women may also bring increased economic prosperity, with some studies (for example by [Credit Suisse](#) and [McKinsey](#)) showing a correlation between improved gender equality and financial performance. [Closing the gender pay gap](#) could also increase business performance. Therefore, promoting gender equality through greater female representation in the boardroom and executive management, along with setting measures to promote opportunities and close gender pay gaps, should arguably be on every company's agenda.

COMPANY SELECTION

Relevant companies for engagement are selected on the basis of the following factors:

- High market capitalisation.
- No or only partial fulfilment of the engagement objectives and KPIs, based on ISS ESG's proprietary data (ISS ESG Governance Quality Score, ISS ESG Corporate Rating, and ISS ESG Raw Data).

GENDER EQUALITY TARGET LIST

argenx SE	CITIC Limited
AvalonBay Communities, Inc.	Contemporary Amperex Technology Co., Ltd.
Beijing-Shanghai High-Speed Railway Co., Ltd.	Copart, Inc.
BioNTech SE	Daikin Industries Ltd.
BOE Technology Group Co., Ltd.	Datadog, Inc.
BYD Company Limited	ENPHASE ENERGY, INC.
Charter Communications, Inc.	EPAM Systems, Inc.
Chocoladefabriken Lindt & Spruengli AG	Evolution AB
Chongqing Changan Automobile Co. Ltd.	Fanuc Corp.
Chow Tai Fook Jewellery Group Ltd.	Fortinet, Inc.



Hyundai Motor Co., Ltd.	Olympus Corp.
Jiangsu Yanghe Brewery Joint-Stock Co., Ltd.	Paycom Software, Inc.
Kuehne + Nagel International AG	SANY Heavy Industry Co., Ltd.
Kweichow Moutai Co., Ltd.	Shanxi Xinghuacun Fen Wine Factory Co., Ltd.
Larsen & Toubro Ltd.	SMC Corp. (Japan)
MercadoLibre, Inc.	SoftBank Group Corp.
Mettler-Toledo International Inc.	State Bank Of India
MongoDB, Inc.	Terumo Corp.
NextEra Energy, Inc.	Waste Connections, Inc.
Old Dominion Freight Line, Inc.	Zscaler, Inc.

ENGAGEMENT OBJECTIVES

Target companies have been asked by participating investors to improve gender equality, focusing on the following engagement objectives:

1. Increase female representation in leadership

- The company should increase its female representation in board positions to a minimum of 30%.
- The company should increase its female representation in executive management positions to a minimum of 30%.
- The company should increase its ratio between women in management positions and women in the overall workforce to a minimum of 0.5.

2. Promote equal opportunities and diversity

- The company should take measures to promote opportunities and diversity, in particular with regard to gender. Measures include the assignment of responsibilities, strategic targets, grievance procedures, action plans, training, as well as audits and evaluations.

3. Disclose gender pay gap

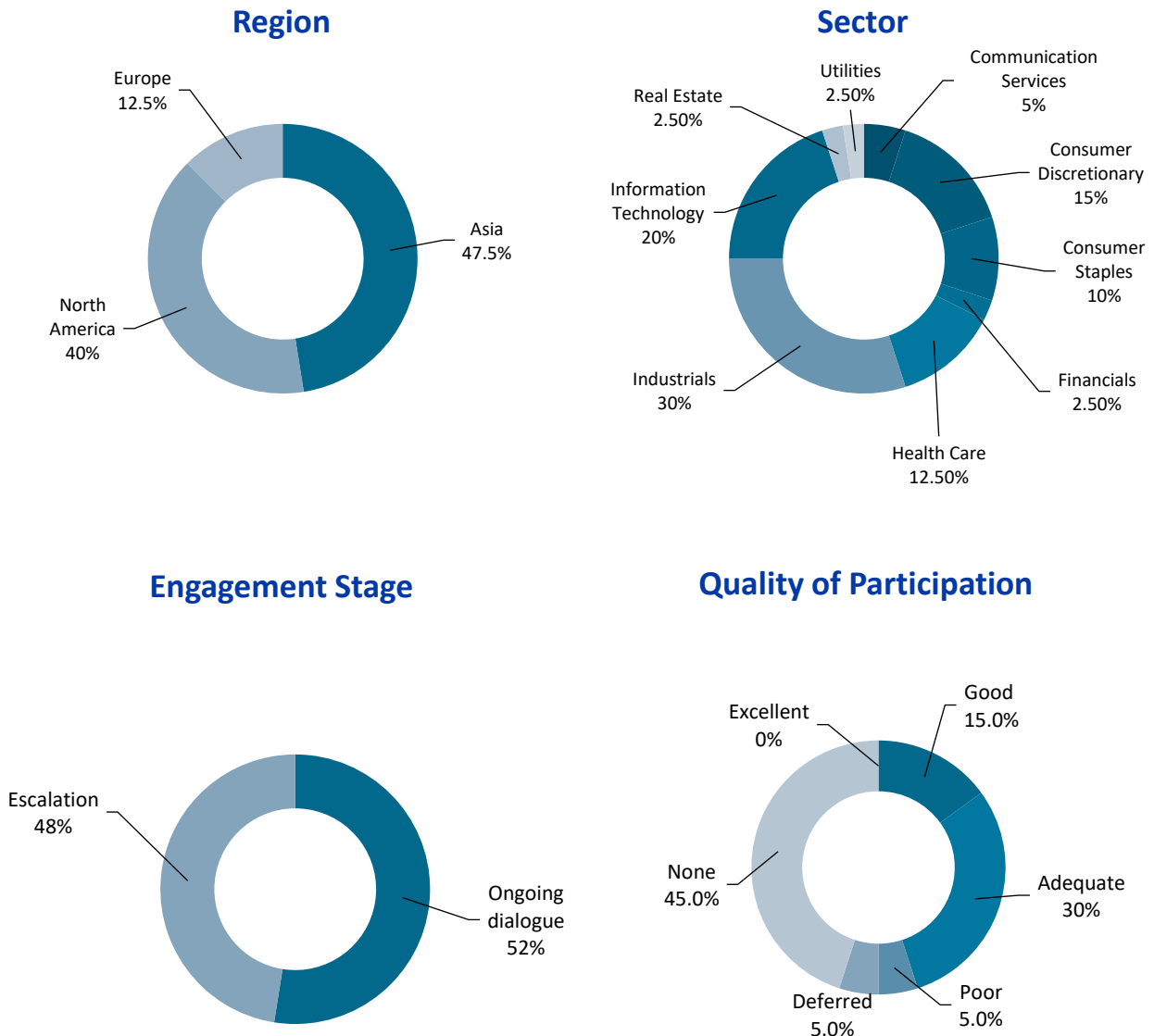
- The company should disclose its mean, unadjusted gender pay gap.



Q2 2023 ENGAGEMENT STATISTICS

The following statistics provide an overview of the geographic and sector distribution of the Gender Equality Thematic Engagement target companies, as well as engagement stage and quality of participation as of the end of Q2 2023.

Summary charts, as of 30 June 2023.



NOTE: "Sector" refers to GICS Sector. **Engagement Stage** definition: **Initiation:** An engagement letter is sent to the relevant company representatives. **Reminder:** Reminder letters are sent to unresponsive companies. **Escalation:** In case of non-response, enquiries are escalated to a higher level of seniority within the company. **Ongoing dialogue:** The company is entering into a dialogue with the investors through ISS ESG and is providing answers to the questions raised or providing further information. **Quality of Participation** definition: **Excellent:** The company has replied and substantially addressed all elements of the questions. **Good:** The company has replied and addressed most elements of the questions. **Adequate:** The company has replied, but only partially addressed the questions posed. **Poor:** The company has replied but not addressed the questions posed. **Deferred:** The company has replied, acknowledging the enquiry, but requested more time to respond, transferred the responsibility to another function in the company, and/or agreed to schedule a meeting in which it will provide more information. **None:** The company has not replied.



ENGAGEMENT SUMMARY TABLE

The initiation letter was sent to the target companies on 22 September 2022 (Q3). This table lists the number of interactions that took place with each company during Q2 2023. Note that in Q1 2023, ISS ESG started recording friendly reminders sent to companies.

ISSUER NAME	DOMICILE	ISS ESG CORPORATE RATING INDUSTRY	ENGAGEMENT STAGE	NUMBER OF OUTBOUND INTERACTIONS	NUMBER OF INBOUND INTERACTIONS	TOTAL NUMBER OF INTERACTIONS
argenx SE	Netherlands	Pharmaceuticals & Biotechnology	Escalation	1	0	1
AvalonBay Communities, Inc.	USA	Real Estate	Ongoing dialogue	0	0	0
Beijing-Shanghai High-Speed Railway Co., Ltd.	China	Rail Transportation	Escalation	1	0	1
BioNTech SE	Germany	Pharmaceuticals & Biotechnology	Ongoing dialogue	1	2	3
BOE Technology Group Co., Ltd.	China	Electronic Components	Escalation	1	0	1
BYD Company Limited	China	Automobile	Escalation	1	0	1
Charter Communications, Inc.	USA	Telecommunications	Escalation	1	0	1
Chocoladefabriken Lindt & Spruengli AG	Switzerland	Food Products	Ongoing dialogue	0	0	0



Chongqing Changan Automobile Co. Ltd.	China	Automobile	Escalation	1	0	1
Chow Tai Fook Jewellery Group Ltd.	Cayman Islands	Textiles & Apparel	Ongoing dialogue	0	0	0
CITIC Limited	Hong Kong	Multi-Sector Holdings	Ongoing dialogue	2	1	3
Contemporary Amperex Technology Co., Ltd.	China	Electronic Components	Ongoing dialogue	2	1	3
Copart, Inc.	USA	Research & Consulting Services	Escalation	1	0	1
Daikin Industries Ltd.	Japan	Industrial Machinery & Equipment	Ongoing dialogue	0	0	0
Datadog, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	0	0	0
ENPHASE ENERGY, INC.	USA	Electronic Components	Ongoing dialogue	1	1	2
EPAM Systems, Inc.	USA	IT Consulting & Other Services	Ongoing dialogue	0	0	0
Evolution AB	Sweden	Interactive Media & Online Consumer Services	Escalation	1	0	1
Fanuc Corp.	Japan	Industrial Machinery & Equipment	Escalation	1	0	1



Fortinet, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	1	1	2
Hyundai Motor Co., Ltd.	South Korea	Automobile	Escalation	1	0	1
Jiangsu Yanghe Brewery Joint-Stock Co., Ltd.	China	Beverages	Escalation	1	0	1
Kuehne + Nagel International AG	Switzerland	Marine Transportation	Ongoing dialogue	2	2	4
Kweichow Moutai Co., Ltd.	China	Beverages	Escalation	1	0	1
Larsen & Toubro Ltd.	India	Construction	Ongoing dialogue	1	0	1
MercadoLibre, Inc.	USA	Interactive Media & Online Consumer Services	Escalation	1	0	1
Mettler-Toledo International Inc.	USA	Health Care Equipment & Supplies	Ongoing dialogue	0	0	0
MongoDB, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	1	1	2
NextEra Energy, Inc.	USA	Electric Utilities	Ongoing dialogue	1	2	3
Old Dominion Freight Line, Inc.	USA	Road Transportation	Ongoing dialogue	0	0	0



Olympus Corp.	Japan	Health Care Equipment & Supplies	Ongoing dialogue	2	1	3
Paycom Software, Inc.	USA	Software & Diversified IT Services	Escalation	1	0	1
SANY Heavy Industry Co., Ltd.	China	Heavy Trucks & Construction & Farm Machinery	Escalation	1	0	1
Shanxi Xinghuacun Fen Wine Factory Co., Ltd.	China	Beverages	Escalation	1	0	1
SMC Corp. (Japan)	Japan	Industrial Machinery & Equipment	Escalation	1	0	1
SoftBank Group Corp.	Japan	Multi-Sector Holdings	Ongoing dialogue	2	2	4
State Bank Of India	India	Commercial Banks & Capital Markets	Escalation	1	0	1
Terumo Corp.	Japan	Health Care Equipment & Supplies	Ongoing dialogue	1	0	1
Waste Connections, Inc.	Canada	Water and Waste Utilities	Ongoing dialogue	1	0	1
Zscaler, Inc.	USA	Software & Diversified IT Services	Escalation	1	0	1

NOTE: For definitions, see p.7.



COMPANY RESPONSES RECEIVED IN Q2 2023

During Q2 2023 ISS ESG received responses from 10 of the 40 companies. The tables below provide further information on each dialogue.

BioNTech SE		ISIN	DOMICILE
		JP3481800005	Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Escalation letter to the Board		08 June 2023	
Company response		19 June 2023	
Company response		30 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company remained unresponsive to ISS ESG’s previous outreach, the investor enquiry was escalated to the Board on 8 June. On 19 June, the company committed to provide a response to the questions posed, which was received on 30 June. A clarification enquiry will be sent in Q3.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 30 June response, the company provided figures on female representation, including women representing 50% of the total workforce, 17% of the Management Board and 33% of the Supervisory Board. In addition, the company explained that in accordance with Section 111 (5) of the German Stock Corporation Act, the Supervisory Board has set targets to achieve 25% female representation in both the Supervisory and Management Boards by 2025. The company stated that it is a signatory to an initiative that promotes diversity in Germany (“Charta der Vielfalt”) and that it has appointed two General Equal Treatment Officers to ensure compliance with the German Equal Treatment Act. The company stated that it has not measured its mean, unadjusted gender pay gap.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at executive management level; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



CITIC Limited		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		18 April 2023	
Company response		05 May 2023	
Engagement outlook communication		15 May 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As the company remained unresponsive to the clarification enquiry sent in Q1, a friendly reminder was sent on 18 April. The company provided a response on 5 May. An engagement outlook communication was sent on 15 May, and a follow-up enquiry is scheduled for Q4.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 5 May response, the company provided links to two sections of its 2022 annual report: its Board diversity policy and information and statistics on talent development.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels and the ratio of women in management to the overall workforce; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



Contemporary Amperex Technology Co., Ltd.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		12 June 2023	
Company response		19 June 2023	
Clarification enquiry		30 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As a follow-up to the previous interactions with the company, ISS ESG sent a follow-up enquiry to request an update on the progress of the engagement objectives on 12 June. The company provided a written response to the questions posed on 19 June. A clarification enquiry was sent on 30 June.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 19 June response, the company discussed the criteria defining Board and executive management positions. The company stated that its internal 'E-School' includes some leadership and empowerment programs, available for women and men. Some employees are also invited to some on-site mentoring programs. The company made also reference to its family-friendly policies. The Corporate Sustainability Management Committee (CSMC) will consider to disclose gender equality policies in public sustainability report in more detail in the future. On the governance side, IT collaborates dynamically with HR department, CSMC reviewing international policies and taking them into account in the organization's reality, while the HR department conducts feasibility assessments. Monitoring is conducted by the internal audit system but is not publicly disclosed. Finally, the company reiterated that it follows the principle of equal pay for work of equal value. Regarding the unadjusted mean gender pay gap, the figure is for internal improvement and enhancement purposes only.</p> <p>ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; the company's measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



ENPHASE ENERGY, INC.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Escalation letter to the Board		08 June 2023	
Company response		19 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
As the company remained unresponsive to ISS ESG’s previous outreach, the investor enquiry was escalated to the Board on 8 June. The company responded on 19 June, communicating its willingness to participate in an engagement meeting, scheduled for 31 August.			
QUARTERLY SUMMARY OF OBSERVATIONS			
N/A			



Fortinet, Inc.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Follow-up enquiry		26 June 2023	
Company response		26 June 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As a follow-up to the previous interactions with the company, ISS ESG sent a follow-up enquiry to request an update on the progress of the engagement objectives on 26 June. The company provided a written response to the questions posed on the same day. A clarification enquiry will be sent in Q3.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 26 June response to the follow-up enquiry, the company explained that the Board is still in the process of interviewing potential Board candidates for the current vacant spot, the appointment of which being unknown. The company mentioned that it has defined internal targets on female representation for both the Board and the executive management. The company also stated that the mean, unadjusted gender pay gap is measured by its HR team but it is not disclosed publicly.</p> <p>ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



Kuehne + Nagel International AG		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		04 April 2023	
Company response		04 April 2023	
Company response		05 April 2023	
Engagement outlook communication		17 April 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company remained unresponsive to the clarification enquiry sent in Q1, a friendly reminder was sent on 4 April. On the same day, the company provided an update on the status of its response. On 5 April, the company provided a written response to the questions posed. An engagement outlook communication was sent on 17 April, and a follow-up enquiry is scheduled for Q4.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 5 April response, the company responded to the clarification enquiry communicating that it appointed one woman in the Management Board. The company attached a press release about the announcement, which states the new member would join in April 2023. The company also mentioned that the CEO pledged to double female representation in top leadership by 2030, stating that its current figure is 10%. The company shared its 2022 sustainability report. ISS ESG will continue to monitor the company's progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



MongoDB, Inc.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Engagement meeting		11 May 2023	
Engagement outlook communication		25 May 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>After the company confirmed in Q1 its willingness to provide an update on the progress of the engagement objectives, a virtual meeting took place on 11 May. An engagement outlook communication was sent on 25 May, and a follow-up enquiry is scheduled for Q4.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In the 11 May engagement meeting, the company stated that while it does not have specific targets to increase female representation, it is focused on retaining and increasing women at different levels of the company. The company is a signatory to the Corporate Parity Pledge, through which MongoDB is committed to interviewing at least one qualified female candidate for every open role at the vice president level and above, as well as for any additional Board seat. As regards the ratio between women in management and in the overall workforce, the company announced that new figures about the workforce composition would be included in the 2023 Corporate Sustainability report (the company shared it along with the filed Proxy upon their publication after the engagement call. The report includes the percentage for female leaders at director and higher levels). The company presented some of its measures to promote equal opportunities and diversity, such as the recruiting tools of its recruitment team, the organisation of summits to foster an early identification of talents or the gender-related employee led groups. As regards gender pay gap, the company shared that it is aware of EU legislation and that its pay equity is monitored twice a year.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



NextEra Energy, Inc.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Engagement meeting		18 April 2023	
Engagement outlook communication		29 May 2023	
Company response		31 May 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>After the company confirmed in Q1 its willingness to participate in the engagement dialogue, a virtual meeting took place on 18 April. Since the call was cut short to 30 minutes due to technical issues, it was agreed that a continuation of the meeting would be scheduled. An engagement outlook communication was sent on 29 May. On 31 May, the company confirmed that a meeting could be organised in Q3.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In the 18 April engagement call, the company stated that the percentage of women on the Board would reach 33% after the 2023 AGM. With regard to women in executive management, the company explained that its definition of executive management goes beyond the people listed on its website. On measures to promote equal opportunities and diversity, the company shared with ISS ESG that Diversity and Inclusion (D&I) metrics are defined and reviewed annually by the Executive D&I Council, the Corporate D&I Council and the Board of Directors. The company stated that its D&I efforts go beyond gender to also include other minority groups – the company mentioned it has published its EEO-1 report, it makes financial contributions to organisations to support women and Black talent such as Black Girls Code, and shared that 78% of interns are women and/or from minority groups. As regards gender pay gap, the company mentioned that it plans to disclose the mean, adjusted figure in 2024 and the unadjusted one in 2025. These commitments will be publicly announced in the company’s next ESG report due to be published in June 2023, which will also include more information about gender and racial statistics such as promotion and hiring. Since the call lasted only 30 minutes due to technical issues, it was agreed that a second call would be scheduled in the summer of 2023.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at executive management level; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



Olympus Corp.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Escalation letter to the Board		08 June 2023	
Company response		21 June 2023	
Clarification enquiry		30 June 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company remained unresponsive to ISS ESG’s previous outreach, the investor enquiry was escalated to the Board on 8 June. The company responded to the questions in writing on 21 June. A clarification enquiry was sent on 30 June.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 21 June response, the company mentioned that a second woman would be appointed to the Board in June. The company explained it is planning to set succession planning targets from 2025 to ensure qualified women are in the management pipeline. The company stated the proportion of women in leadership positions is expected to increase to 30% in the Group and 13% at Olympus Corporation by 2028. The company is taken measures to promote equal opportunities and diversity such as Diversity, Equity and Inclusion (DEI) training for managers, networking sessions, mentoring programs, leadership training and the establishment of a Chief Diversity, Equity and Inclusion Officer in June 2023. As regards gender pay gap, the company shared its mean, unadjusted gender pay gap for Japan (70.7%). The company stated that it is evaluating the reasons for this gap, but it is believed to be due to men having had tenure for longer than women.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



SoftBank Group Corp.		ISIN JP3481800005	DOMICILE Japan
SDG ALIGNMENT SDG 5: Gender Equality		SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity	
ENGAGEMENT STATUS Active		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		17 April 2023	
Company response		18 April 2023	
Company response		24 April 2023	
Engagement outlook communication		03 May 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>As the company remained unresponsive to the clarification enquiry sent in Q1, a friendly reminder was sent on 17 April. On 18 April, the company provided an update on the status of its response, which was received on 24 April. An engagement outlook communication was sent on 3 May, and a follow-up enquiry is scheduled for Q4.</p>			
<p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 24 April response, the company stated that gender, age and nationality are considered in appointments of directors to the Board, and that female representation might increase in the future. The company informed ISS ESG that its measures to promote equal opportunities – such as its target to increase female representation in management positions by 2030 and 2035 and its mentoring programs – are not applied across all subsidiaries. The company also stated that while it is not required to disclose the ratio of women’s total pay to men’s total pay, it plans to disclose it proactively.</p> <p>ISS ESG will continue to monitor the company’s progress against the objectives. The engagement dialogue going forward will focus on outstanding points such as increasing female representation at board and executive management levels; the company’s measures to promote equal opportunities and diversity, in particular as regards gender; and the public disclosure of its mean, unadjusted gender pay gap.</p>			



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