



ISS ESG



GENDER EQUALITY

THEMATIC
ENGAGEMENT

Q4 2023 Progress Report

January 2024

ISS-ESG.COM

© 2024 | Institutional Shareholder Services and/or its affiliates



TABLE OF CONTENTS

INTRODUCTION.....	3
ISS ESG THEMATIC ENGAGEMENT APPROACH.....	4
ENGAGEMENT PROCESS	4
ENGAGEMENT OUTCOMES.....	4
REPORTING	4
GENDER EQUALITY THEMATIC ENGAGEMENT	5
COMPANY SELECTION.....	5
ENGAGEMENT OBJECTIVES.....	6
Q4 2023 ENGAGEMENT STATISTICS.....	7
ENGAGEMENT SUMMARY TABLE	8
COMPANY RESPONSES RECEIVED IN Q4 2023.....	12



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 Q4 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 Q4 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 United Nations agency for gender equality and women's empowerment ([UN Women](#)) 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

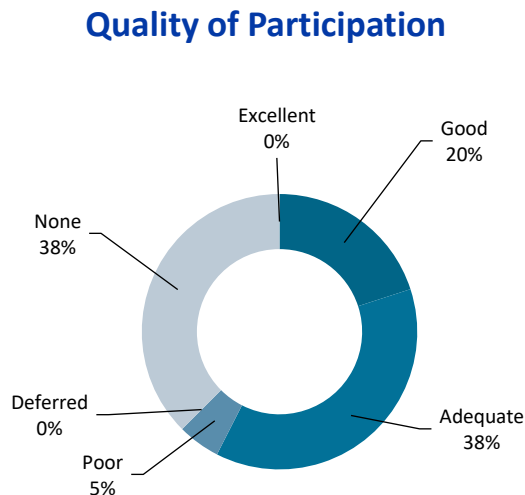
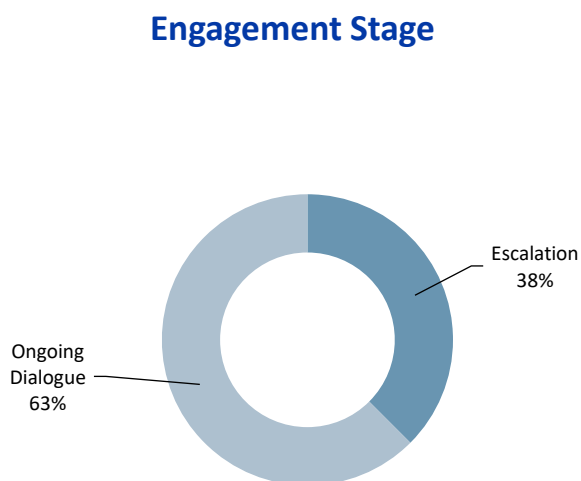
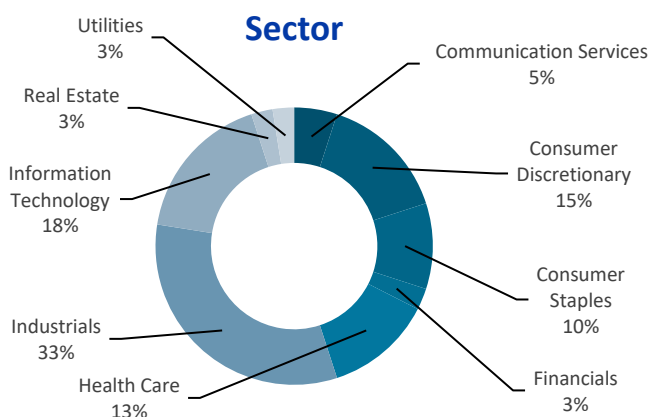
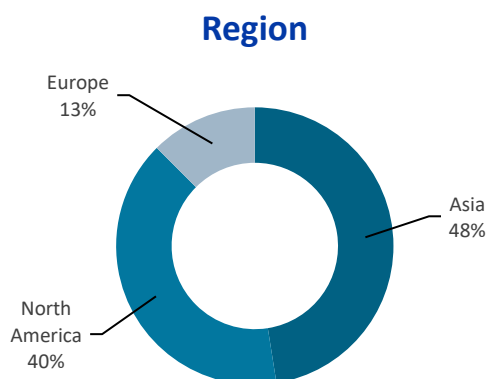
- The company should disclose its mean, unadjusted gender pay gap.



Q4 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 Q4 2023.

Summary charts, as of 31 December 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. Due to rounding, totals might not add up to 100%.



ENGAGEMENT SUMMARY TABLE

The initiation letter was sent to the target companies on 22 September 2022 (Q3 2022). This table lists the number of interactions that took place during Q4 2023, as well as the engagement stage as per 31 December 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	Ongoing dialogue	3	3	6
AvalonBay Communities, Inc.	USA	Real Estate	Ongoing dialogue	1	0	1
Beijing-Shanghai High-Speed Railway Co., Ltd.	China	Rail Transportation	Escalation	1	0	1
BioNTech SE	Germany	Pharmaceuticals & Biotechnology	Ongoing dialogue	0	0	0
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	2	2	4
Chongqing Changan Automobile Co. Ltd.	China	Automobile	Escalation	1	0	1



Chow Tai Fook Jewellery Group Ltd.	Cayman Islands	Textiles & Apparel	Ongoing dialogue	2	3	5
CITIC Limited	Hong Kong	Multi-Sector Holdings	Ongoing dialogue	3	0	3
Contemporary Amperex Technology Co., Ltd.	China	Electronic Components	Ongoing dialogue	0	0	0
Copart, Inc.	USA	Research & Consulting Services	Ongoing dialogue	0	0	0
Daikin Industries Ltd.	Japan	Industrial Machinery & Equipment	Ongoing dialogue	2	2	4
Datadog, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	2	1	3
ENPHASE ENERGY, INC.	USA	Electronic Components	Ongoing dialogue	1	0	1
EPAM Systems, Inc.	USA	IT Consulting & Other Services	Ongoing dialogue	1	0	1
Evolution AB	Sweden	Interactive Media & Online Consumer Services	Ongoing dialogue	4	1	5
Fanuc Corp.	Japan	Industrial Machinery & Equipment	Escalation	1	0	1
Fortinet, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	0	0	0
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	Air Freight & Logistics	Ongoing dialogue	2	1	3
Kweichow Moutai Co., Ltd.	China	Beverages	Escalation	1	0	1
Larsen & Toubro Ltd.	India	Construction	Ongoing dialogue	0	0	0
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	0	1
NextEra Energy, Inc.	USA	Electric Utilities	Ongoing dialogue	0	0	0
Old Dominion Freight Line, Inc.	USA	Road Transportation	Ongoing dialogue	0	0	0
Olympus Corp.	Japan	Health Care Equipment & Supplies	Ongoing dialogue	0	0	0
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	3	2	5
State Bank Of India	India	Commercial Banks & Capital Markets	Ongoing dialogue	0	0	0
Terumo Corp.	Japan	Health Care Equipment & Supplies	Ongoing dialogue	0	0	0
Waste Connections, Inc.	Canada	Water and Waste Utilities	Ongoing dialogue	0	0	0
Zscaler, Inc.	USA	Software & Diversified IT Services	Escalation	1	0	1

NOTE: For definitions, see p.7.



COMPANY RESPONSES RECEIVED IN Q4 2023

During Q4 2023 ISS ESG received responses from eight of the 40 companies. The tables below provide further information on each dialogue.

argenx SE		ISIN	DOMICILE
		NL0010832176	Netherlands
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		09 November 2023	
Company response		20 November 2023	
Clarification enquiry		27 November 2023	
Company response		06 December 2023	
Company response		07 December 2023	
Engagement outlook communication		18 December 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>As the company remained unresponsive to ISS ESG’s previous outreach, the investor enquiry was escalated for a third time to the Board on 9 November, which the company responded to on 20 November. ISS ESG sent a clarification enquiry on 27 November, and the company provided responses on 6 and 7 November. An engagement outlook communication was sent on 18 December, and a follow-up enquiry is scheduled for Q2 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 20 November response, the company stated that it has developed and implemented a gender equality policy, and that it plans to disclose more information on gender in the company’s 2024 report. The company provided a link to its latest ESG report as a reference. The company added that it is evaluating how to strengthen its ESG reporting to increase transparency towards investors, and stated that it is not in a position to share information that is not currently in public disclosures. In its 6 December response, the company stated that there is no gender pay gap within the company. The company added that this information has not been reported publicly, but more data will be made available in upcoming reports. In its 7 December response, the company explained that despite not being aware of material gender pay gaps, it has hired a third-party provider to review this data with the aim to share the results in its 2023 ESG report – or the 2024 at the latest.</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 the public disclosure of its mean, unadjusted gender pay gap.</p>			



Chocoladefabriken Lindt & Sprüngli AG		ISIN CH0010570759	DOMICILE Switzerland
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	
Company response		02 October 2023	
Clarification enquiry		10 October 2023	
Company response		10 October 2023	
Engagement outlook communication		23 October 2023	
<p>QUARTERLY SUMMARY OF INTERACTIONS</p> <p>On 2 October, the company provided a written response to the follow-up enquiry sent in Q3. ISS ESG sent a clarification enquiry on 10 October, which the company responded to on the same day. An engagement outlook communication was sent on 23 October, and a follow-up enquiry is scheduled for Q2 2024.</p> <p>QUARTERLY SUMMARY OF OBSERVATIONS</p> <p>In its 2 October response, the company stated that the female representation increased to 28.5% at the Board of Directors following the nomination of [company representative] earlier in 2023. The company mentioned that [company representative] was appointed Chief Human Resources Officer and Member of the Group Management starting as of November 2023, and explained that she will be responsible for overseeing Lindt & Sprüngli's global diversity, equity and inclusion strategies, including gender. The company stated that it does not collect the unadjusted mean gender pay gap globally, but that it does so where required by local law. In its 10 October response, the company stated that it has no targets or plans to share to increase female representation on the Board and in the executive management, and noted that the latter is within the scope of the target for 40% of women in senior leadership by 2025. With regard to measures to promote equal opportunities and diversity, the company stated that all available information is reported in pages 57-60 of the Sustainability Report 2022 and that an update will be published in March 2024.</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>			



Chow Tai Fook Jewellery Group Ltd.		ISIN KYG211461085	DOMICILE Cayman Islands
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	
Company response		20 October 2023	
Company response		25 October 2023	
Clarification enquiry		01 November 2023	
Company response		14 November 2023	
Engagement outlook communication		22 November 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>On 20 October, the company acknowledged the follow-up enquiry sent in Q3 and committed to provide a written response, which it shared on 25 October. ISS ESG sent a clarification enquiry on 1 November, which the company responded to on 14 November. An engagement outlook communication was sent on 22 November, and a follow-up enquiry is scheduled for Q2 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 25 October response, the company explained that it has met both its 2025 target to have at least 20% female representation at Board level, and its immediate goal of having at least three female directors on the Board, ahead of time. The company stated that the Board and the Nomination Committee review the target for female representation annually, and that the latter monitors the competency and diversity of the Board. Additionally, the company shared figures related to female representation at different management levels. The company stated that as of October 2023, 70% of new senior managers are female, the share of women at a senior management level has increased from 49% to 51% in the last year, and that in middle management female representation has remained at 60% in 2022 and 2023. As regards measures to promote equal opportunities and diversity, the company mentioned that its People & Culture department is monitoring diversity, equality and inclusion (DEI) and equal opportunity to ensure the implementation of its Code of Conduct, and that it is considering establishing group-wide policies on DEI and equal opportunity. The company explained that these policies will ensure that recruitment processes are more equitable, and that training and other awareness building activities are provided to foster employees to fulfil relevant terms set out in its Best Practices Principles. The company also mentioned that it will establish policies to prohibit all forms of aggressive behaviour in the company, that it has a whistleblowing system in place, and that its commitment to human rights and zero tolerance to any violation in compliance with international human rights principles are set out in its Best Practice Principles and Code of Conduct. Regarding the gender pay gap, the company mentioned that an analysis has been recently conducted, and it shared details of some key findings. For example, the company explained that the average salary for women in management and new female joiners in senior and middle management positions is higher than that for male employees, and that women in non-management roles earn less than their male counterparts. For Mainland China the company identified differences between the average monthly salaries of male and female employees in</p>			



management positions (general manager, director and associate director), noting that female employees earn less than male employees. Similarly, for its employees in Hong Kong and Macau, China, the company identified differences between male and female executives, with females earning less than men. The company explained that female executives have much shorter tenures and less experience at a senior level than their male counterparts. The company stated that its gender pay gap analysis is currently under the Board's review, and that the disclosure of such data will depend on the outcomes of the review. In its 14 November response, the company stated that its gender diversity target within the Board is reviewed annually by the Board and Nomination Committee, and that gender representation across the organisation is reviewed on an ongoing basis. To ensure sustainable growth, the company explained that it is committed to a diversified leadership bench, and to update the Group's diversity, equity and inclusion (DEI) policy which will be published in its 2024 sustainability report. Regarding metrics to monitor DEI, the company explained that it uses a wide range, including years of service, representation and pay within different seniority levels of the company. The company shared some measures that are reviewed regularly, such as advertising job openings in diversity focused platforms and practices to reduce unconscious bias in the hiring process. The company added that it is considering to adopt other diversity metrics, such as representation of different groups at different levels of the company, employee satisfaction scores, and attrition rates. The company explained that it encourages long-term employment with the average tenure being 11 years. As part of the review of the group's DEI policy, the company shared some initiatives it is considering for a more inclusive environment such as, inclusive onboarding processes, mandatory DEI training, diverse HR policies, and mentoring and support for employees to grow within the company. Regarding the gender pay gap, the company restated that its Board is evaluating the company's analysis on the issue, and that the findings will be published in the 2024 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; 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.



Daikin Industries 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	
Company response		20 October 2023	
Clarification enquiry		26 October 2023	
Company response		10 November 2023	
Engagement outlook communication		16 November 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>On 20 October, the company provided a written response to the follow-up enquiry sent in Q3. ISS ESG sent a clarification enquiry on 26 October, which the company responded to on 10 November. An engagement outlook communication was sent on 16 November, and a follow-up enquiry is scheduled for Q2 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 20 October response, the company stated that its Board currently includes one woman and that it has not set a target to increase further its female representation at that level. The company mentioned that in the appointment of new Board members a wide range of factors are considered such as gender, career background and nationality. With regard to women in management and executive positions, the company explained that it is identifying outstanding female talent and offering individualised development plans and training to support these women access more senior positions. The company also explained that its diversity initiatives vary by region to reflect different local situations, including regulation, and provided some regional examples of its measures to promote equal opportunities and diversity: in Japan, the company explained that it focuses on the implementation of its Women’s Career Advancement Program, and in North America, the company holds conferences to increase the number of female leaders. In relation to the disclosure of the global number of female managers, the company stated that it is currently standardising human resources data collection in each region and that it aims to disclose this figure in the future. The company also shared the link to a file explaining that it contains the disclosure of the gender pay gap as required by the Japanese government. In its 10 November response, the company stated that it does not have a target to increase the number of women on the Board beyond its goal to appoint one female director by 2025 (which has already been met), or at executive management level. To increase female representation at senior levels, the company stated that rather than hire women to meet a quota candidates need to be well prepared for the role. The company mentioned that it will prioritise the increase of candidates at executive and managerial positions and that it will provide training. The company mentioned that it will continue to consider how to improve its public disclosures on its measures to promote equal opportunities and diversity regionally, and stated that it does not have a clear timeline to publish its global number of female managers. Regarding the gender pay gap disclosure, the company explained that it does not plan to disclose the mean, unadjusted gender pay gap figure for the global business, and that it is aware of ESG reporting expectations from the Corporate Sustainability Reporting Directive for EU subsidiaries by 2025, and globally</p>			



by 2028. The company mentioned that the document with the gender pay gap disclosure for Japan is not available in English.

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.

Datadog, Inc.		ISIN US23804L1035	DOMICILE USA
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		26 October 2023	
Company response		26 October 2023	
Engagement outlook communication		01 November 2023	
QUARTERLY SUMMARY OF INTERACTIONS			
As the company remained unresponsive to the follow-up enquiry sent in Q3, a friendly reminder was sent on 26 October. The company provided a written response to the questions posed on the same day. An engagement outlook communication was sent on 1 November, and a follow-up enquiry is scheduled for Q2 2024.			
QUARTERLY SUMMARY OF OBSERVATIONS			
In its 26 October response, the company stated that its latest ESG report includes all the publicly available information on the company’s work on gender equality.			
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.			



Evolution AB		ISIN	DOMICILE
		SE0012673267	Sweden
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		09 November 2023	
Company response		10 November 2023	
Clarification enquiry		16 November 2023	
Friendly reminder		07 December 2023	
Engagement outlook communication		22 December 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 for a third time on 9 November. The company provided a written response to the questions posed on 10 November. On 16 November, ISS ESG sent a clarification enquiry. On 7 December, ISS ESG sent a friendly reminder, followed by an engagement outlook communication on 22 December. A follow-up enquiry is scheduled for Q2 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 10 November response, the company provided figures on female representation at different levels and teams within the company: 52% of managers, 41% of senior executives, 30% of the engineering team, and 30% within the company are women. The company also stated that employees are from more than 100 nationalities. The company explained that equality and diversity is integrated into daily operations and controlled by its policy and governance documents. Regarding pay, the company stated it aims to reduce gaps between genders and achieve pay equity.</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 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>			



Kuehne + Nagel International AG		ISIN CH0025238863	DOMICILE Switzerland
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		07 November 2023	
Friendly reminder		05 December 2023	
Company response		05 December 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 7 November, followed by a friendly reminder on 5 December. On the same day, the company committed to provide a written response. A friendly reminder will be sent in Q1 2024.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
N/A			



SoftBank Group Corp.		ISIN JP3436100006	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		09 November 2023	
Friendly reminder		07 December 2023	
Company response		11 December 2023	
Company response		15 December 2023	
Clarification enquiry		22 December 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 9 November, followed by a friendly reminder on 7 December. On 11 December, the company agreed to provide a written response, which it sent on 15 December. On 22 December, ISS ESG sent a clarification enquiry.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>In its 15 December response, the company stated that it does not have plans to set targets to increase female representation in Board and senior management positions. The company added that it selects Board members in compliance with the Companies Act and the Governance Code in Japan, and the right senior managers considering gender, age and nationality. The company explained that its basic policy is to hire employees regardless of age, gender, nationality, or disability, and that it has not set targets based on those characteristics but that it will continue to disclose related information. As regards gender pay gap, the company mentioned that data is available in its securities report, annual report and website, adding that the indexed compensation levels for regular employees were 52.3 for women to 100 for men in 2022.</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>			



We empower investors and companies to build
for long-term and sustainable growth by providing
high-quality data, analytics, and insight.

SUCCEED WITH ISS ESG SOLUTIONS

Email sales@iss-esg.com or visit iss-esg.com for more information.

ISS ESG is the responsible investment arm of Institutional Shareholder Services Inc., the world's leading provider of environmental, social, and governance solutions for asset owners, asset managers, hedge funds, and asset servicing providers. With more than 30 years of corporate governance expertise and 25 years of providing in-depth responsible investment research and analytics, ISS ESG has the unique understanding of the requirements of institutional investors. With its comprehensive offering of solutions, ISS ESG enables investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions. It also provides climate data, analytics, and advisory services to help financial market participants understand, measure, and act on climate-related risks across all asset classes. In addition, ISS ESG delivers corporate and country ESG research and ratings enabling its clients to identify material social and environmental risks and opportunities.

This document and all of the information contained in it is the property of Institutional Shareholder Services Inc. ("ISS") or its subsidiaries. Subscribing clients participating in the Thematic Engagement covered by this document may reproduce and/or distribute the report without further permission from ISS. Others may not reproduce or disseminate this document in whole or in part without the prior written permission of ISS. ISS MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION.

© 2024 | Institutional Shareholder Services and/or its affiliates