



GENDER EQUALITY

THEMATIC ENGAGEMENT

Q3 2024 Annual Progress Report

Including analysis of progress during the first cycle of the engagement

October 2024



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INTRODUCTION

This report presents the Gender Equality Thematic Engagement activities that were carried out by ISS ESG on behalf of participating institutional investors in Q3 2024, as well as analysis of the progress during the first cycle of the engagement.

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. The report includes a section providing insights from the first cycle of the engagement, in terms of the Gender Equality context, the responsiveness to and progress of the engagement, highlights from the engagement dialogues, the future focus of the engagement, and a summary of the first engagement cycle. It also includes key statistics for Q3 2024, a summary of the engagement status, stage, number of interactions and engagement success status for all target companies; as well as details of the responses received during the period. The report includes a measurement of the progress against engagement objectives as well as the overall engagement success, based on the six-monthly data check on the target companies' improvement in their alignment with the requirements for each engagement objective.



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 calls and 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.



FIRST CYCLE OF THE GENDER EQUALITY ENGAGEMENT

The third quarter of 2024 marks two years since ISS ESG's Gender Equality Thematic Engagement was initiated. The following section provides observations on the evolving Gender Equality landscape during the first cycle, as well as analysis of the changes that ISS ESG has observed at the end of the two-year cycle. The section also highlights common themes emerging in the engagement dialogues held to date – including challenges shared by companies – and the focus of future engagements.

EVOLVING GENDER EQUALITY LANDSCAPE

Since the initiation of the Gender Equality Engagement, some efforts have been made to increase gender equality in the workplace. In the European Union, on 23 November 2022 the [new 'Women on Board' Directive](#) was adopted. Under this Directive, companies will have to have either 40% of non-executive directors from the underrepresented sex, or 33% of all directors, by 30 June 2026. Member states have over another year to adopt this into national law, however some already have more ambitious mandatory requirements, such as [Denmark](#), [France](#) and [Italy](#), which require boards to be comprised of a minimum of 40% of women. In [Japan](#), the prime minister has pledged to have a minimum of 30% of women on company Boards by 2030.

However, studies suggest that little progress has been made to close the gender gap in companies. The World Economic Forum (WEF)'s [2024 Global Gender Gap Report](#) shows that while women make up approximately half of employees in entry-level positions, hiring women into leadership roles continues to deteriorate year-on-year. [The UN](#) has calculated that 28% of management positions are filled by women, and states that with "the current slow pace of change" this figure will reach 30% as late as 2050. In senior management positions, [data provided by LinkedIn](#) shows that there has been an increase in female representation. However, while women hold 32.2% of senior managers positions in 2023, in C-suite positions the proportion is only 25%. With regard to income, the [World Inequality Report 2022](#) estimates only 35% of the total income from work is paid to women, a statistic reported not to have changed in the last thirty years. More positively, 79% of companies that are part of the [WEF's 2023 Future of Jobs Report](#) have diversity, equity, and inclusion programmes that include gender in their focus. However, looking at the figures of female representation in different levels of management and Boards within companies, it is clear that companies need to do more to close the gender gap.

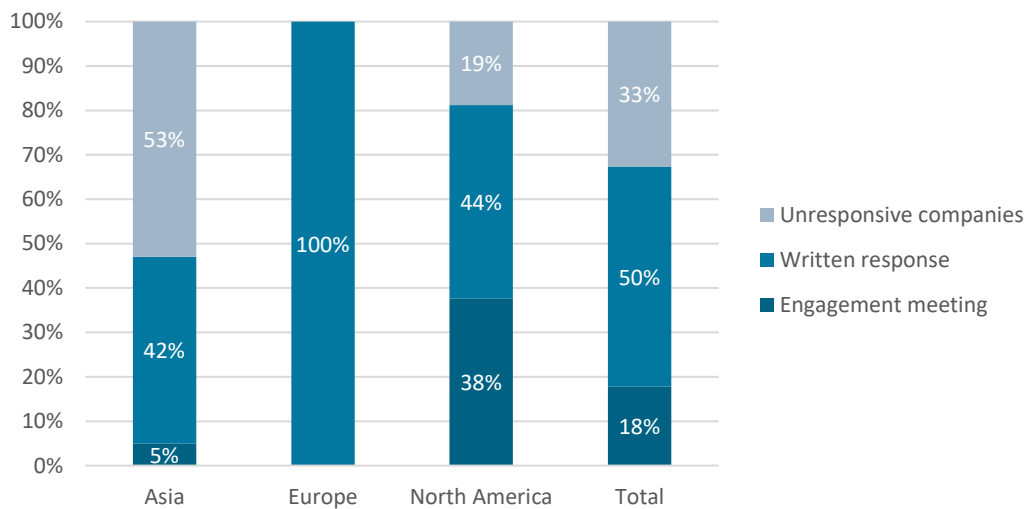
ENGAGEMENT RESPONSIVENESS

The Gender Equality Thematic Engagement was initiated in September 2022. At the end of the two-year cycle, 68% of the target companies have responded, showing willingness to participate in the engagement and discuss gender related issues with participating investors. The response rate differs by region. Among the target companies domiciled in Asia, the response rate is 47%, while for North American companies the response rate is 81%, and among European companies it is 100%.

ISS ESG encourages companies to share their responses to the engagement questions through a (virtual) meeting, as this enables the participating investors to gain valuable insights and better understand the companies' perspectives. As of the end of the first engagement cycle, 18% of the target companies have participated in the dialogue through at least one engagement meeting, and 50% have responded in writing.



Regional Overview of Response Rate and Type



NOTE: Due to rounding, totals may not add up to 100%.

ISS ESG implements a robust reminder and escalation process for non-responding companies, and the response rate has progressively increased throughout the two years. Initially, 20% of companies responded to the engagement letter. The response rate then increased to 28% following reminder emails to the Investor Relations’ teams of the target companies; to 43% following reminder calls to Investor Relations; to 48% following escalation letters to the CEO; to 60% following escalation letters to the Board; where it remained following escalation letters to the CEO and Board; and then increased again to 63% following additional escalation letters to the Board; and to 68% following a further escalation letter to the Board where it remained following the final reminder to Investor Relations.

ISS ESG notes that once a company enters into a dialogue, it often continues to provide updates throughout the cycle. Out of 25 companies that were sent follow-up enquiries at least once during the engagement cycle, 15 companies (60%) responded again.

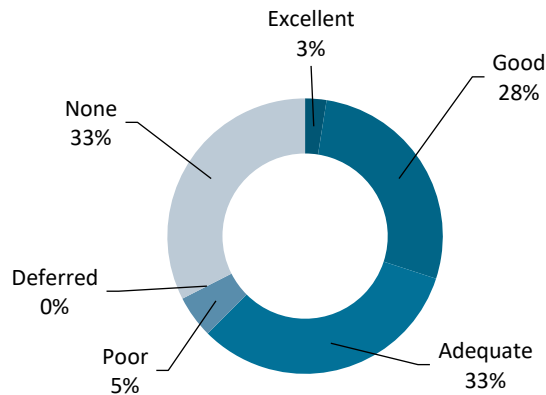
QUALITY OF PARTICIPATION

For each company response, ISS ESG assesses the quality of the participation in the engagement. The assessment considers the extent to, and depth in which, the company has addressed the engagement questions, and is separate from the measurement of progress against the engagement objectives. The assessment is dynamic over time, as ISS ESG continues to pose clarification questions where a company does not initially address all questions, or only does so in a partial manner.

For the large majority of target companies, the quality of participation at the end of the engagement cycle is assessed as positive. In total, 63% of all target companies (93% of responding companies) are assessed as either ‘Adequate’ – meaning that they have at least partially addressed the engagement questions, – ‘Good’ – meaning that they have addressed most elements of the questions, or Excellent – meaning they have substantially addressed all elements of the questions. 5% of all target companies have provided responses deemed ‘Poor’ or ‘Deferred’ – meaning that they have either provided a general response which has not addressed the specific questions, or that they have acknowledged the engagement outreach but have yet to provide answers to the specific engagement questions.



Quality of Participation



ENGAGEMENT OBJECTIVE PROGRESS

Progress against the relevant engagement objectives for each company considers a combination of improvements in the company’s alignment with the requirements for each objective, as well as the quality of participation in the engagement.

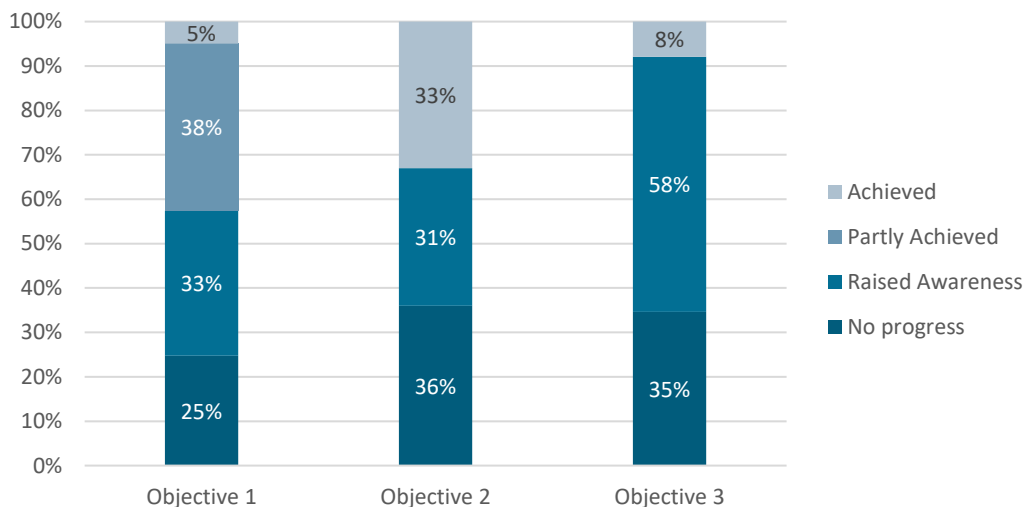
The share of target companies that have shown progress in their fulfilment of at least one of the underlying indicators is 53%. However, ISS ESG notes differences in the progress towards each of the three objectives. For objective 1, in relation to increasing female representation in senior leadership positions, 38% of the companies are assessed to have ‘Partly Achieved’ the objective, and a further 5% are assessed to have ‘Achieved’ it. The greatest improvements in the underlying indicators during the two-year cycle have been in relation to the ratio of women in management to the overall workforce, and percentage of women on the Board, while only a slight improvement in the number of women in executive management positions has been noted.

Regarding objective 2, related to measures to promote equal opportunities and diversity, one third of companies that had not fulfilled it at the start of the engagement are now assessed as having ‘Achieved’ this objective, and a further 31% are assessed at ‘Raised Awareness’. With regard to objective 3 related to the disclosure of the mean, unadjusted gender pay gap, ISS ESG notes that 3 companies have fulfilled this objective, and a further 58% are assessed at ‘Raised Awareness’.

A quarter of target companies have not made any progress in their alignment with the underlying indicators, however they have demonstrated a positive quality of participation and the respective objectives are therefore assessed as having reached the level of ‘Raised Awareness’.



Engagement Objective Progress



NOTE: Due to rounding, totals may not add up to 100%.

OVERALL ENGAGEMENT SUCCESS

The overall success and impact of the engagement with each company is an aggregate measure of the progress towards all of the relevant engagement objectives. Each company engagement is categorised in one of four levels of zero to three globes, which takes into consideration both whether a dialogue has been established and awareness of the issues has been raised, and/or whether the company has improved its alignment with the objectives – as evidenced in its public disclosures. Given the approach of combining both the participation in the dialogue and the progress towards the objectives, there is a range of different scenarios for each globe level.

As of the end of the first engagement cycle, ISS ESG notes an impact with the majority (78%) of target companies. For 5% of the companies, the engagement is assessed to have a ‘High Impact’. This includes companies which have been assessed as ‘Achieved’ for all three engagement objectives that were not fulfilled at the initiation, or for companies that have made significant progress towards them.

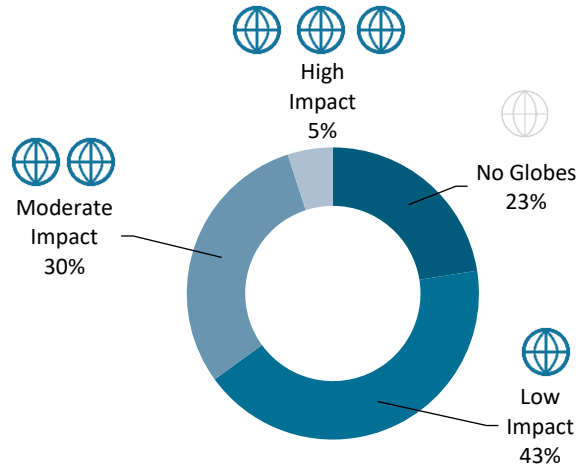
For 30% of the companies, the engagement is assessed to have a ‘Moderate Impact’. This includes companies which have made progress towards at least one objective and addressed the engagement questions, or which have made progress towards two objectives or more. For companies that already fulfilled one of the objectives at the start of the engagement, ‘Moderate Impact’ also applies when at least one of the applicable objectives is fully achieved, even if the second applicable objective has not been addressed.

For another 43% of the companies, the impact is assessed to be ‘Low’. This includes companies which have addressed the engagement questions but have not yet made any progress towards any of the engagement objectives. It also includes companies which have made progress towards at least one engagement objective, even if they have not addressed the engagement questions.

The share of companies which have neither addressed the engagement questions nor demonstrated any progress towards any of the objectives, stands at 23%.



Engagement Success



ENGAGEMENT DIALOGUE

The following section outlines case studies of positive dialogues noted since the engagement was initiated, as well as a summary of general observations from the discussions with companies and challenges highlighted through the dialogues. Further details on the dialogue with companies are available in each respective Quarterly Progress Report, as well as the Activity Reports.

CASE STUDIES



<p>BioNTech SE</p>	<p>ISIN US09075V1026</p>
<p>THEME Gender Equality</p>	<p>DOMICILE Germany</p>
<p>SUMMARY</p>	<p>Since the start of the engagement in Q3 2022, ISS ESG has facilitated dialogue with BioNTech SE through written communication, with responses received in Q2 and Q3 2023, and Q1 2024.</p> <p>In the dialogue, the company highlighted in 2023 that the share of women on its Supervisory Board increased to 33% in 2023, and that the company is on track to achieve its target of 25% women in the Management and Supervisory Boards by 31 December 2025. In its last response in March 2024, the company stated that the percentage of women on the Management Board was expected to reach 29% (two out of seven Management Board members) as of 1 July 2024. Regarding its measures to promote equal opportunities and diversity, the company explained that in 2022 it appointed two General Equal Treatment Officers – one of whom is female – to ensure that the company complies with the German General Equal Treatment Act. In addition, it provided details about its training offered to employees on equality, and restated that it has been a signatory to the Charta der Vielfalt since 2018 – a German employer initiative to promote diversity. These measures, as well as details on diversity assessments, the promotion of career opportunities for women and gender diversity targets at management level are disclosed in the company’s 2023 Sustainability Report. Regarding the gender pay gap, through the dialogue the company shared that in its 2023 Sustainability Report it discloses information on the gender pay gap analysis, which was reported to be 6% in 2023 (unadjusted mean).</p> <p>At the end of the engagement cycle, BioNTech SE is assessed to have a quality of participation of ‘Excellent’, meaning that it has substantially addressed all elements of the questions throughout the dialogue. Throughout the two-year engagement cycle, the company demonstrated progress against underlying indicators on objective 1, in relation to an increased percentage of women at Board level; on objective 2, in relation to the public disclosure of measures to promote equal opportunities and diversity, in particular as regards gender; and on objective 3, in relation to the public disclosure of its mean, unadjusted gender pay gap. At the end of the engagement cycle, the underlying indicator that remains unfulfilled is the percentage of women at executive management level.</p>



<p>MongoDB, Inc.</p>	<p>ISIN US60937P1066</p>
<p>THEME Gender Equality</p>	<p>DOMICILE USA</p>
<p>SUMMARY</p>	<p>Since the initiation of the engagement, ISS ESG has facilitated dialogue with MongoDB, Inc., both through an engagement meeting in Q2 2023, as well as through written responses received in Q1 2024.</p> <p>Through the dialogue, the company shared that whilst it doesn't currently have specific targets to increase female representation, it undertakes a range of measures to promote equal opportunities and diversity, for example, its monitoring of pay equity, and is considering setting targets at senior levels. At Board level, the company noted that female representation increased to 30% following the appointment of a new female director, as evidenced in later disclosures. The company explained that it has a growing number of employee-led groups that focus on providing support and professional development to its members with similar backgrounds or interests, including groups to support women and underrepresented genders in their professional development. It also mentioned that it is a signatory to the Corporate Parity Pledge, through which it is committed to interview at least one qualified female candidate for every open position at the vice president level and above, as well as for every additional directorship on the Board. To foster an early identification of diverse talent, the company explained that it holds the "Make it Matter" and the "Women in Computer Science" summits annually to recruit interns, details of which were disclosed in its 2023 Corporate Sustainability Report. As regards the ratio between women in management and the overall workforce, the company continued to report on the percentage of women in the overall workforce, and for the first time in its 2023 Corporate Sustainability Report, disclosed the share of women in leadership positions. In February 2024, the company stated it is in the process of determining whether it will set targets on female representation at senior and higher levels. The company explained that it has seen a continued increase in new hires and across the company after it has focused its hiring practices and retention rates on the topic, and added that it plans to continue its efforts. Regarding the disclosure of its mean, unadjusted gender pay gap, the company mentioned that it only publishes gender pay gap figures where it is a legal requirement, and that it continues to assess how to be more transparent.</p> <p>At the end of the engagement cycle, MongoDB, Inc. is assessed to have a quality of participation of 'Good', meaning that it has addressed most elements of the questions throughout the dialogue. Throughout the two-year engagement cycle, the company demonstrated progress against underlying indicators on objective 1, in relation an increase of women at Board level and the ratio of women in management to the overall workforce; and on objective 2, in relation to the public disclosure of measures to promote equal opportunities and diversity, in particular as regards gender. At the end of the engagement cycle, the underlying indicators that remain unfulfilled are percentage of women at</p>



executive management level; and the public disclosure of the mean, unadjusted gender pay gap.



NextEra Energy, Inc.		ISIN US65339F1012
THEME Gender Equality	DOMICILE USA	
SUMMARY	<p>Since the initiation of the engagement, ISS ESG has facilitated dialogue with NextEra Energy, Inc. both through an engagement meeting in Q2 2023, as well as through written responses received in Q2 and Q3 2023.</p> <p>During the Q2 2023 engagement meeting, the company explained that the percentage of women on its Board would reach 33% following its 2023 AGM, which it did in May 2023. Additionally, the company noted that its 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 shared that its D&I efforts go beyond gender to include other minority groups, and referenced its EEO01 report, in which it outlines financial contributions to organisations to support women and Black talent. The company also published details in the 2023 Sustainability Report and on its website of leadership accountability for the implementation of a diversity strategy, training regarding diversity and inclusion, and the promotion of career opportunities for women.</p> <p>At the end of the engagement cycle, NextEra Energy, Inc. is assessed to have a quality of participation of 'Good', meaning that it has addressed most elements of the questions throughout the dialogue. Throughout the two-year engagement cycle, the company demonstrated progress against underlying indicators on objective 1, in relation an increase of women at Board level; and on objective 2, in relation to the public disclosure of measures to promote equal opportunities and diversity, in particular as regards gender. At the end of the engagement cycle, the underlying indicators that remain unfulfilled are the percentage of women at executive management level; and the public disclosure of the mean, unadjusted gender pay gap.</p>	

ISS ESG OBSERVATIONS

More generally, the dialogues have provided insights and context on companies' approach to gender equality, beyond what is immediately discernible from the underlying data, or from the public disclosures. For example, companies have acknowledged the need to increase female representation in leadership positions and indicated their ambitions to do so, for example by setting internal targets, identifying internal female talents, implementing mentoring and empowerment programs or regularly reviewing the Board composition. Companies have also explained their plans to adopt further measures to promote equal opportunities and diversity, such as creating a dedicated department or position, considering setting metrics on recruitment and training to evaluate equality efforts; and with regard to the disclosure of the gender pay gap, companies have provided information about their plans to collect and disclose relevant data in future reports. Companies have provided context on why the gender pay gap exists, such as due to tenure length or employment types.



Through the dialogues, some companies have also highlighted challenges they face in achieving some of the investor expectations. Some barriers cited by companies include the smaller pool of female candidates found in fields such as science, technology, engineering and mathematics; the needs to respect the mandate length of the current directors, the lack of consensus regarding a definition for executive management; and the need to educate employees on pay ranges before publicly disclosing gender pay gap figures.

FUTURE ENGAGEMENT FOCUS

With the continuous changes in the regulatory landscape to increase gender diversity and equality in the labour market, and the known correlation between greater female representation and company performance, investors want to understand how companies aim to close the gender gap. ISS ESG will continue to facilitate dialogue through the launch of the second cycle of the Gender Equality Thematic Engagement. The engagement dialogue will continue to highlight the need for increased female representation in companies' leadership, with greater focus on Board-level gender diversity measures such as policies and women in Board leadership roles, and greater transparency on the gender pay gap. ISS ESG will also continue to ask companies about how they plan to enhance their measures to promote gender equality within the workforce, focusing on career opportunities for women, gender diversity targets in management, leadership accountability for a diversity strategy, and the provision of employee training on diversity and inclusion.

Some companies included for engagement during the first engagement cycle will be considered for the second cycle in order to build on progress made in the first two years. The 32% of unresponsive companies will not be considered for inclusion in the second cycle as eight attempts to escalate the investor enquiry have been made, and to allow for participating investors to focus their effort on companies which are more open to dialogue.

The second cycle will be initiated by sending engagement letters to 40 companies in November 2024.



SUMMARY OF FIRST ENGAGEMENT CYCLE

The table below provides a summary of the engagement for each company as of the end of Q3 2024. A company is defined as responsive if at least one response was logged during the engagement cycle.

ISSUER NAME	DOMICILE	RESPONSIVE (Y/N)	NUMBER OF OUTBOUND INTERACTIONS	NUMBER OF INBOUND INTERACTIONS	TOTAL NUMBER OF INTERACTIONS	ENGAGEMENT SUCCESS
argenx SE	Netherlands	Y	11	3	14	
AvalonBay Communities, Inc.	USA	Y	9	2	11	
Beijing-Shanghai High-Speed Railway Co., Ltd.	China	N	10	0	10	
BioNTech SE	Germany	Y	11	6	17	
BOE Technology Group Co., Ltd.	China	N	10	0	10	
BYD Company Limited	China	N	10	0	10	
Charter Communications, Inc.	USA	N	10	0	10	







Chocoladefabriken Lindt & Spruengli AG	Switzerland	Y	13	7	20	
Chongqing Changan Automobile Co. Ltd.	China	N	10	0	10	
Chow Tai Fook Jewellery Group Ltd.	Cayman Islands	Y	13	10	23	
CITIC Limited	Hong Kong	Y	14	3	17	
Contemporary Amperex Technology Co., Ltd.	China	Y	10	6	16	
Copart, Inc.	USA	Y	12	1	13	
Daikin Industries Ltd.	Japan	Y	13	6	19	
Datadog, Inc.	USA	Y	12	5	17	
ENPHASE ENERGY, INC.	USA	Y	10	2	12	
EPAM Systems, Inc.	USA	Y	6	3	9	
Evolution AB	Sweden	Y	14	2	16	
Fanuc Corp.	Japan	N	10	0	10	
Fortinet, Inc.	USA	Y	13	8	21	



Hyundai Motor Co., Ltd.	South Korea	Y	10	2	12	
Jiangsu Yanghe Brewery Joint-Stock Co., Ltd.	China	N	10	0	10	
Kuehne + Nagel International AG	Switzerland	Y	12	14	26	
Kweichow Moutai Co., Ltd.	China	N	10	0	10	
Larsen & Toubro Ltd.	India	Y	11	6	17	
MercadoLibre, Inc.	USA	Y	10	2	12	
Mettler-Toledo International Inc.	USA	Y	12	8	20	
MongoDB, Inc.	USA	Y	9	4	13	
NextEra Energy, Inc.	USA	Y	11	6	17	
Old Dominion Freight Line, Inc.	USA	Y	10	4	14	
Olympus Corp.	Japan	Y	14	6	20	
Paycom Software, Inc.	USA	N	10	0	10	
SANY Heavy Industry Co., Ltd.	China	N	10	0	10	



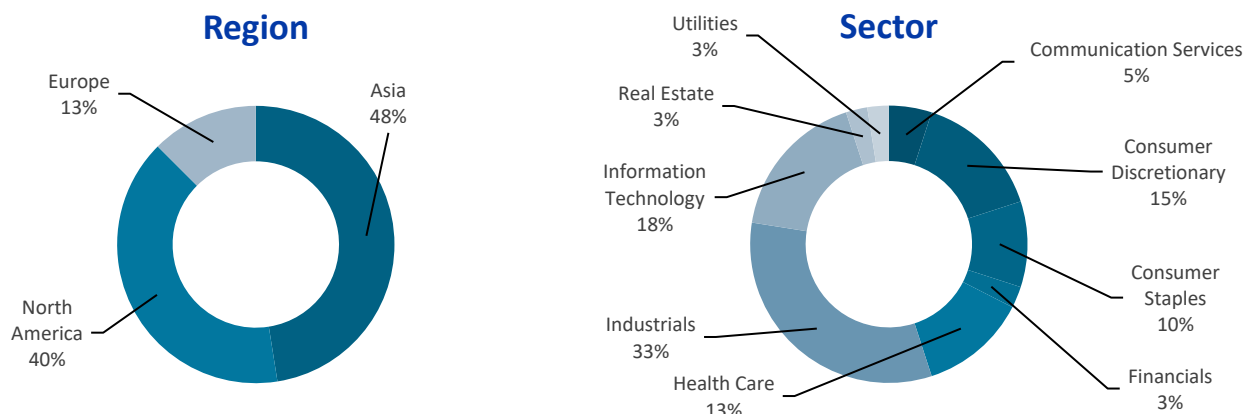
Shanxi Xinghuacun Fen Wine Factory Co., Ltd.	China	N	10	0	10	
SMC Corp. (Japan)	Japan	N	10	0	10	
SoftBank Group Corp.	Japan	Y	12	6	18	
State Bank Of India	India	Y	12	3	15	
Terumo Corp.	Japan	Y	12	8	20	
Waste Connections, Inc.	Canada	Y	10	2	12	 
Zscaler, Inc.	USA	N	10	0	10	



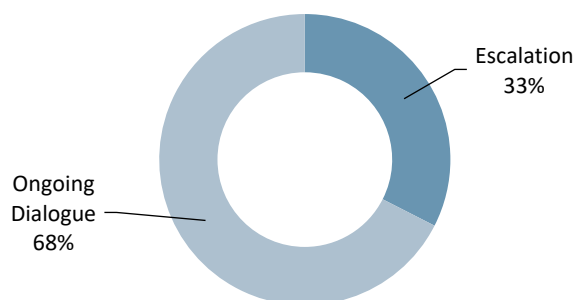
Q3 2024 ENGAGEMENT STATISTICS

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.

Summary charts, as of 30 September 2024.









Engagement Stage



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 (the engagement stage refers to engagement activities before engagements were closed on 30 September 2024 due to the end of the first engagement cycle). 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 Q3 2024, as well as the engagement stage, engagement status and engagement success as per 30 September 2024. Note that in Q1 2023, ISS ESG started recording friendly reminders sent to companies.

ISSUER NAME	DOMICILE	ISS ESG CORPORATE RATING INDUSTRY	ENGAGEMENT STAGE	ENGAGEMENT STATUS	NUMBER OF OUTBOUND INTERACTIONS	NUMBER OF INBOUND INTERACTIONS	TOTAL NUMBER OF INTERACTIONS	ENGAGEMENT SUCCESS
argenx SE	Netherlands	Pharmaceuticals & Biotechnology	Ongoing dialogue	Closed	0	0	0	
AvalonBay Communities, Inc.	USA	Real Estate	Ongoing dialogue	Closed	1	0	1	
Beijing-Shanghai High-Speed Railway Co., Ltd.	China	Rail Transportation	Escalation	Closed	1	0	1	
BioNTech SE	Germany	Pharmaceuticals & Biotechnology	Ongoing dialogue	Closed	1	0	1	
BOE Technology Group Co., Ltd.	China	Electronic Components	Escalation	Closed	1	0	1	
BYD Company Limited	China	Automobile	Escalation	Closed	1	0	1	



Charter Communications, Inc.	USA	Telecommunications	Escalation	Closed	1	0	1	
Chocoladefabriken Lindt & Spruengli AG	Switzerland	Food Products	Ongoing dialogue	Closed	1	0	1	
Chongqing Changan Automobile Co. Ltd.	China	Automobile	Escalation	Closed	1	0	1	
Chow Tai Fook Jewellery Group Ltd.	Cayman Islands	Textiles & Apparel	Ongoing dialogue	Closed	2	1	3	
CITIC Limited	Hong Kong	Multi-Sector Holdings	Ongoing dialogue	Closed	3	0	3	
Contemporary Amperex Technology Co., Ltd.	China	Electronic Components	Ongoing dialogue	Closed	1	0	1	
Copart, Inc.	USA	Research & Consulting Services	Ongoing dialogue	Closed	1	0	1	
Daikin Industries Ltd.	Japan	Industrial Machinery & Equipment	Ongoing dialogue	Closed	3	1	4	



Datadog, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	Closed	1	0	1	
ENPHASE ENERGY, INC.	USA	Electronic Components	Ongoing dialogue	Closed	1	0	1	
EPAM Systems, Inc.	USA	IT Consulting & Other Services	Ongoing dialogue	Closed	1	0	1	
Evolution AB	Sweden	Interactive Media & Online Consumer Services	Ongoing dialogue	Closed	3	0	3	
Fanuc Corp.	Japan	Industrial Machinery & Equipment	Escalation	Closed	1	0	1	
Fortinet, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	Closed	1	0	1	
Hyundai Motor Co., Ltd.	South Korea	Automobile	Ongoing dialogue	Closed	1	0	1	
Jiangsu Yanghe Brewery Joint-Stock Co., Ltd.	China	Beverages	Escalation	Closed	1	0	1	
Kuehne + Nagel International AG	Switzerland	Air Freight & Logistics	Ongoing dialogue	Closed	1	0	1	
Kweichow Moutai Co., Ltd.	China	Beverages	Escalation	Closed	1	0	1	

Larsen & Toubro Ltd.	India	Construction	Ongoing dialogue	Closed	1	0	1	
MercadoLibre, Inc.	USA	Interactive Media & Online Consumer Services	Ongoing dialogue	Closed	1	0	1	
Mettler-Toledo International Inc.	USA	Health Care Equipment & Supplies	Ongoing dialogue	Closed	1	0	1	
MongoDB, Inc.	USA	Software & Diversified IT Services	Ongoing dialogue	Closed	1	0	1	 
NextEra Energy, Inc.	USA	Electric Utilities	Ongoing dialogue	Closed	1	0	1	 
Old Dominion Freight Line, Inc.	USA	Road Transportation	Ongoing dialogue	Closed	1	0	1	
Olympus Corp.	Japan	Health Care Equipment & Supplies	Ongoing dialogue	Closed	1	0	1	 
Paycom Software, Inc.	USA	Software & Diversified IT Services	Escalation	Closed	1	0	1	 
SANY Heavy Industry Co., Ltd.	China	Heavy Trucks & Construction & Farm Machinery	Escalation	Closed	1	0	1	




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

NOTE: For definitions, see p.21



COMPANY RESPONSES RECEIVED IN Q3 2024

During Q3 2024 ISS ESG received responses from two of the 30 companies. The tables below provide further information on each dialogue.


Chow Tai Fook Jewellery Group Ltd.		ISIN	DOMICILE
		KYG211461085	Cayman Islands
SDG ALIGNMENT SDG 5: Gender Equality	SFDR PAI ALIGNMENT PAI 12: Unadjusted Gender Pay Gap; PAI 13: Board Gender Diversity		
ENGAGEMENT STATUS Closed	ENGAGEMENT STAGE Ongoing dialogue		
ENGAGEMENT SUCCESS	<p>ENGAGEMENT OBJECTIVE 1 Increase female representation in leadership Partly Achieved</p> <p>ENGAGEMENT OBJECTIVE 2 Promote equal opportunities and diversity Raised Awareness</p> <p>ENGAGEMENT OBJECTIVE 3 Disclose gender pay gap Raised Awareness</p>		
 Low Impact			
ENGAGEMENT TIMELINE			
ACTION		DATE	
Company response		04 July 2024	
Engagement outlook communication		11 July 2024	
Engagement closure communication		30 September 2024	
QUARTERLY SUMMARY OF INTERACTIONS			
<p>After the company in Q2 committed to provide a response to the clarification enquiry, it provided a written response to the questions posed on 4 July. ISS ESG sent an engagement outlook communication on 11 July, followed by an end of cycle closure communication on 30 September.</p>			
QUARTERLY SUMMARY OF OBSERVATIONS			
<p>On 4 July, in response to the clarification enquiry, company stated that in regard to female representation on the board, the nomination committee is seeking to improve female representation on the board of directors. The company stated that it is searching for a new female director to appoint to the board, which is currently 19% female according to its 2024 sustainability report. The company noted that it takes time to appoint the right board member in a volatile and uncertain operating landscape and that the board will review the gender composition to meet 20% by 2025. In regard to female representation on the executive</p>			



level, the company stated that it does not currently have a target for representation for executive management but has made progress in elevating women at senior levels. The company noted that women in executive management have doubled from 10% to 20% and that 50% of senior management positions are held by women. These positions according to the company are on a trajectory to the executive level. Furthermore, the company stated that it is committed to transparency around its progress on gender equality, and that its DE&I policy is available on its website. In terms of the gender pay gap, the company stated that it is following 3 steps to structure its gender pay equity analysis: data collection, data validation and cleaning and job grading and benchmarking. Data collection entails collecting employee information (such as roles and responsibilities), compensation and demographic data such as salary, benefits, gender, age. Data validation and cleaning entails ensuring that the data collected is accurate and reliable. Job grading and benchmarking entails ensuring consistent grading of jobs and comparing its internal grading with external benchmarks.

ISS ESG's underlying data shows that the company has not progressed in the latest six-monthly data check.



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 Closed		ENGAGEMENT STAGE Ongoing dialogue	
ENGAGEMENT SUCCESS  Moderate Impact		ENGAGEMENT OBJECTIVE 1 Increase female representation in leadership Raised Awareness ENGAGEMENT OBJECTIVE 2 Promote equal opportunities and diversity Achieved ENGAGEMENT OBJECTIVE 3 Disclose gender pay gap Raised Awareness	
ENGAGEMENT TIMELINE			
ACTION		DATE	
Friendly reminder		11 July 2024	
Company response		19 July 2024	
Engagement outlook communication		23 July 2024	
Engagement closure communication		30 September 2024	
QUARTERLY SUMMARY OF INTERACTIONS Following the clarification enquiry sent in Q2, ISS ESG sent a friendly reminder on 11 July. On 19 July, the company provided a written response to the questions posed. ISS ESG sent an engagement outlook communication on 23 July, followed by an end of cycle closure communication on 30 September.			
QUARTERLY SUMMARY OF OBSERVATIONS In its 19 July response, the company informed ISS ESG that it has committed to increasing the number of women in managerial positions and is accelerating its efforts to promote department managers for executive positions. The company stated that it believes the approach of setting numerical targets is effective but emphasised the importance of promoting well-prepared individuals. The company mentioned its commitment to accelerate training and prioritise increasing the number of candidates for executive and managerial positions. The company announced the appointment of a female director to the Board of Directors to ensure diversity and promote the advancement of women. Regarding targets to enhance female representation on the Board of Directors and in Executive Management, the company shared that targets for 2025 and beyond are under consideration. Regarding the disclosure of women in management positions, the company clarified that there are no plans for disclosure at the group level at this time. The company noted that is preparing for global group-level disclosure in response to the CSRD but has not yet determined a specific date for this disclosure. The company acknowledged the requirement to disclose the gender pay gap under ESRS S1-16 but has not decided on a specific date for publishing this information.			
ISS ESG's underlying data shows that in the latest six-monthly data check, the company has improved on objective 2, in relation to its measures to promote equal opportunities and diversity, in particular as regards gender.			



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