



Spotlight on Engagement

Climate Change & Gender Equality

Climate change and gender inequality are two of the most critical issues facing humanity today. We believe they are also significant issues for investors. That's why we engage with the companies in our funds. Engagement helps us hold companies accountable for their impacts related to these two global challenges and helps them improve in ways that we think make them even better investments.

WE SEEK TO INFLUENCE CORPORATE POLICIES ON GENDER DIVERSITY AND CLIMATE CHANGE THROUGH:

**Proxy
voting**

**Shareholder
proposals**

**Company
dialogues**

**Public policy
advocacy**

OUR PROXY VOTING GUIDELINES

Climate change: We generally vote in favor of proposals that request companies to disclose potential risks from climate change or that request disclosure or development of policies or programs to mitigate climate change risks and impact.



Diversity and inclusion: We vote against all-male board slates and we ask companies to implement policies and practices to achieve greater board diversity. We will not support a full board slate unless it includes at least three women. Also, we generally vote in favor of proposals that request the disclosure or development of policies and programs aimed at promoting and advancing diversity and inclusion.



An investment in the Pax World Funds involves risk, including loss of principal. You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.paxworld.com. Please read it carefully before investing.

SHAREHOLDER PROPOSALS

When we see opportunities for a company to adopt higher standards of corporate responsibility, we file shareholder proposals.

CLIMATE CHANGE

What We Ask For:

Why It Matters:



Climate Change & Sustainability Disclosure

Managing and reporting on sustainability factors, including climate change risks and opportunities, helps companies navigate a business environment characterized by finite natural resources, rapidly changing laws and regulations, and heightened public expectations for corporate accountability. Transparent, substantive reporting positions companies to gain strategic value from existing sustainability efforts and identify emerging risks and opportunities.



Renewable Energy Sourcing and Production

As global demand for energy grows, we believe companies should diversify their energy sources beyond fossil fuels to include renewable energy.

Renewable energy sourcing can benefit companies by reducing their operating costs and limiting their exposure to natural resource market volatility.



Climate Change Influence and Accountability

Lobbying activities can have significant influence on climate policy and are increasingly coming under scrutiny. We encourage transparency and accountability in the use of employee time and corporate funds to influence climate related legislation and regulation.

Similarly, board oversight of climate issues is a critical component of strong corporate governance for companies in all sectors. The Task Force on Climate-related Financial Disclosures (TCFD) believes that corporate governance and risk management practices are critical contextual components that help shareholders understand a company's financial results.



Transition to a Low-Carbon Economy

COP21 marked the beginning of the transition from an industrial age economy reliant on fossil fuels, to a sustainable, low-carbon economy. We believe it is critical that companies adapt their business models now so that they are well-positioned for a low-carbon future.

GENDER EQUALITY

What We Ask For:

Why It Matters:



Board Diversity

The data is clear: Where women are better represented in corporate leadership, businesses perform better. Companies that combine competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. That's why board diversity is one of our priority engagement areas. We vote "no" on all-male boards, and we ask companies to implement policies and practices to achieve greater board diversity and to report on progress to shareholders in annual proxy statements.



Pay Equity

Companies that are committed to pay equity are better positioned to achieve greater gender diversity and attract and retain talented employees, which makes them more competitive. That's why we encourage the companies in our portfolios to become gender pay equity leaders. We ask companies to conduct pay equity assessments, disclose the results and commit to closing any gender pay gaps that exist. In February 2016, we sent a petition for rulemaking to the Securities and Exchange Commission urging the agency to require public companies to disclose gender pay ratios on an annual basis.

OUTCOMES

Many of the shareholder proposals we file result in meaningful dialogues with companies, and, ultimately, positive change. In fact, 78 percent of the resolutions we filed in 2018 were withdrawn after successful dialogue. Here are some of the actions companies have taken in response to our most recent proposals.

159 In 2018 we engaged with 159 companies.

BOARD DIVERSITY

<i>Proxy Year</i>	<i>Company</i>	<i>Ask/Outcome</i>
2020	T-Mobile	Pending
2019	Ligand Pharmaceuticals ¹	Amended governance policies; female director appointment in 2019
2019	Beacon Roofing Supply	Amended governance policies; female director appointment in 2018
2018	US Foods Holdings Corp.	Amended governance policies; female director appointment in 2018
2016	Cognizant Technology Solutions	Amended governance policies; female director appointment in 2017
2015	eBay, Inc. ²	Amended governance policies; female director appointments in 2015 and 2017
2014	Territorial Bancorp	Amended governance policies, female director appointment 2018
2014	Oasis Petroleum	Amended governance policies, female director appointment 2018
2013	Stericycle, Inc.	Amended governance policies; female director appointments in 2015 and 2018
2013	Hospitality Properties Trust	Amended governance policies; female director appointment in 2015
2012	Riverbed Technology ³	Amended governance policies; female director appointment in 2013
2012	Roper Technologies	Amended governance policies; female director appointments in 2015 and 2018

PAY EQUITY

<i>Proxy Year</i>	<i>Company</i>	<i>Ask/Outcome</i>
2019	DaVita, Inc. ⁴	Enhanced pay equity disclosure
2019	Quest Diagnostics ⁴	Enhanced pay equity disclosure
2019	The Hartford Financial Services Group ⁴	Enhanced pay equity disclosure
2019	Lincoln National Corp ⁴	Enhanced pay equity disclosure
2019	Oracle	Pending Shareholder Vote - 35.8%
2019	Citizens Financial Group, Inc.	Enhanced pay equity disclosure
2018	Oracle	Shareholder vote outcome - 38.9%
2018	KeyCorp	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2018	MetLife, Inc. ⁴	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2018	HP, Inc.	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2018	Discover Financial Services	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2019
2017	Oracle	Shareholder vote outcome - 38.7%
2017	AT&T, Inc., Qualcomm, Inc., Verizon Communications	Enhanced pay equity disclosure
2017	Bank of New York Mellon	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2017	Goldman Sachs Group, Inc.	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2017	Mastercard ⁵	Enhanced pay equity disclosure; disclosed results of gender pay assessment in 2018
2016	Amazon.com, Apple, Inc., eBay, Inc. ⁵	Disclosed results of gender pay assessment; enhanced pay equity disclosure

¹Lead filers of this resolution were Trillium Asset Management ²Lead filers of this resolution were Trillium Asset Management & the New York State Common Retirement Fund ³Company became private in April 2015 ⁴Lead filer of this resolution was the New York City Pension Fund ⁵Lead filer of this resolution was Arjuna Capital

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CLIMATE CHANGE

Proxy Year	Company	Ask/Outcome
2019	Yum! Brands	Shareholder vote outcome on deforestation proposal - 33%
2019	JPMorgan Chase	Agreed to increase transparency around lobbying practices related to climate change legislation or regulation
2019	Verizon Communications	Committed to sourcing renewable energy equivalent to 50% of its total electricity usage by 2025
2018	Kasier Aluminum	Published first sustainability report in 2019
2018	Travelers Companies	Published disclosure about board oversight of climate risk
2018	White Mountains Insurance	Agreed to implement more board oversight of climate risk
2018	Old Republic International	Shareholder vote outcome on board oversight of climate risk - 48%
2018	Valero Energy	Agreed to produce an assessment of the long-term portfolio impacts of likely climate change scenarios
2018	Dominion Energy	Agreed to produce an assessment of the long-term portfolio impacts of likely climate change scenarios
2018	UPS	Now includes a quantitative target to increase renewable energy (25% by 2025) in its most recent sustainability update
2017	Occidental Petroleum	Agreed to produce an assessment of the long-term portfolio impacts of likely climate change scenarios
2016, 2017 & 2018	Alphabet (formerly Google)	Asked company to report on lobbying practices and determine whether public policy efforts support or oppose climate change legislation or regulation
2017	ConocoPhillips	Shareholder vote outcome on incentive pay and climate change proposal - 6.7%

As of 12/31/19, **T-mobile US, Inc.** was 0.7% of the Pax Sustainable Allocation Fund, 1.0% of the Pax High Yield Bond Fund and 1.8% of the Pax Large Cap Fund. **Ligand Pharmaceuticals Inc.** was 1.8% of holdings of the Pax Small Cap Fund and 0.03% of the Pax Sustainable Allocation Fund. **Beacon Roofing Supply, Inc.** was 0.9% of the Pax Small Cap Fund and 0.2% of the Pax Sustainable Allocation Fund. **US Foods Holding Corp.** was 0.3% of the Pax ESG Beta Quality Fund and 0.6% of the Pax High Yield Bond Fund. **Cognizant Technology Solutions** was 0.6% of the Pax ESG Beta Quality Fund. **eBay Inc.** was 0.05% of the Pax Sustainable Allocation Fund, 0.1% of the Pax Core Bond Fund and 0.1% of the Pax Ellevest Global Women's Leadership Fund. **Oasis Petroleum** was 0.5% of the Pax High Yield Bond Fund. **Roper Technologies, Inc.** was 1.1% of the Pax ESG Beta Quality Fund. **Citizens Financial Group, Inc.** was 0.7% of the Pax Sustainable Allocation Fund, 1.6% of the Pax Large Cap Fund and 0.4% of the Pax ESG Beta Quality Fund. **Oracle Corporation** was 0.6% of the Pax ESG Beta Quality Fund, 0.1% of the Pax ESG Beta Dividend Fund and 0.01% of the Pax Sustainable Allocation Fund. **KeyCorp** was 0.1% of the Pax Ellevest Global Women's Leadership Fund, 0.1% of the Pax Core Bond Fund and 0.1% of the Pax Sustainable Allocation Fund. **MetLife, Inc.** was 0.9% of the Pax ESG Beta Dividend Fund, 0.5% of the Pax ESG Beta Quality Fund, 0.2% of the Pax Core Bond Fund, 0.2% of the Pax Sustainable Allocation Fund, and 0.2% of the Pax Ellevest Global Women's Leadership Fund. **Discover Financial Services** was 0.1% of the Pax Ellevest Global Women's Leadership Fund, 0.6% of the Pax ESG Beta Quality Fund, 0.3% of the Pax Core Bond Fund, and 0.2% of the Pax Sustainable Allocation Fund. **Qualcomm, Inc.** was 0.03% of the Pax Sustainable Allocation Fund, 0.1% of the Pax ESG Beta Quality Fund and 0.4% of the Pax ESG Beta Dividend Fund. **Verizon Communications** was 2.6% of the Pax ESG Beta Quality Fund, 1.7% of the Pax ESG Beta Dividend Fund, 0.3% of the Pax Sustainable Allocation Fund, 1.1% of the Pax Ellevest Global Women's Leadership Fund and 0.7% of the Pax Core Bond Fund. **AT&T Inc.** was 1.4% of the Pax ESG Beta Quality Fund, 2.4% of the Pax ESG Beta Dividend Fund, 0.7% of the Pax Core Bond Fund, 2.9% of the Pax Large Cap Fund and 1.8% of the Pax Sustainable Allocation Fund. **Bank of New York Mellon Corp.** was 0.1% of the Pax Sustainable Allocation Fund and 0.03% of the Pax Core Bond Fund. **Apple Inc.** was 4.0% of the Pax ESG Beta Quality Fund, 4.4% of the Pax ESG Beta Dividend Fund, 5.4% of the Pax Large Cap Fund, 2.7% of the Pax Sustainable Allocation Fund and 0.5% of the Pax Core Bond Fund. **Mastercard** was 2.8% of the Pax ESG Beta Quality Fund, 0.3% of the Pax ESG Beta Dividend Fund, 2.9% of the Pax Global Opportunities Fund, 0.2% of the Pax Sustainable Allocation Fund and 0.3% of the Core Bond Fund. **Amazon.com, Inc.** was 2.8% of the Pax ESG Beta Quality Fund, 2.8% of the Pax ESG Beta Dividend Fund, 3.6% of the Pax Large Cap Fund, 1.8% of the Pax Sustainable Allocation Fund and 0.2% of the Core Bond Fund. **Yum! Brands, Inc.** was 0.6% of the Pax High Yield Bond Fund. **JPMorgan Chase** was 0.3% of the Pax Core Bond Fund, 3.2% of the Pax Large Cap Fund and 1.4% of the Pax Sustainable Allocation Fund. **Travelers Companies** was 0.4% of the Pax Core Bond Fund and 0.2% of the Pax Sustainable Allocation Fund. **White Mountain Insurance** was 1.8% of the Pax Small Cap Fund. **Old Republic International** was 0.1% of the Pax ESG Beta Quality Fund. **Dominion Energy** was 0.9% of the Pax ESG Beta Dividend Fund and 0.1% of the Pax Sustainable Allocation Fund. **UPS** was 0.04% of holdings of the Pax Sustainable Allocation Fund, 0.6% of the Pax ESG Beta Dividend Fund and 0.6% of the Pax ESG Beta Quality Fund. **Alphabet, Inc.** was 2.3% of holdings of the Pax Sustainable Allocation Fund, 5.4% of the Pax Large Cap Fund, 2.0% of the Pax ESG Beta Dividend Fund and 3.3% of the Pax ESG Beta Quality Fund. **Lincoln National Corporation** was 0.1% of the Pax Ellevest Global Women's Leadership Fund and 0.4% of the Pax ESG Beta Quality Fund. **Hartford Financial Services Group** was 0.1% of the Pax Ellevest Global Women's Leadership Fund and 0.001% of the Pax Sustainable Allocation Fund. **Quest Diagnostics Incorporated** was 1.5% of the Pax Ellevest Global Women's Leadership Fund, 0.2% of the Pax ESG Beta Dividend Fund, 0.1% of the Pax Core Bond Fund and 0.1% of the Pax Sustainable Allocation Fund. **DaVita, Inc.** was 0.1% of the Pax ESG Beta Quality Fund. **HP, Inc.** was 0.9% of the Pax ESG Beta Quality Fund, 0.1% of the Pax Ellevest Global Women's Leadership Fund, 0.4% of the Pax ESG Beta Dividend, and 0.03% of the Pax Sustainable Allocation Fund. **Valero Energy, Occidental Petroleum, ConocoPhillips, Hospitality Properties Trust, Territorial Bancorp, Stericycle, Inc., Kasier Aluminum, Riverbed Technology, Goldman Sachs, and Group, Inc** were not held by any Pax World Fund. Holdings are subject to change.

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