

2025 ISS Global Benchmark Policy Survey

Summary of Results

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Overview of Process and Response

This document summarizes the results of the ISS 2025 Global Benchmark Policy Survey, which opened on July 24th and closed on August 22nd, 2025. The survey is part of ISS' annual global policy development process and was, as is the case every year, open to all interested parties to solicit broad feedback on areas of potential ISS policy change for 2026 and beyond. We received 248 responses to the survey, 165 from investors and investor-affiliated organizations (referred to as investor respondents or investor(s) herein) compared to 199 investors' responses received last year, and 83 from non-investor respondents, compared to 126 non-investor responses received last year. Responses that lacked a valid email address were not accepted. Duplicate responses from the same person were also not accepted; only the most complete response was included.

Number and category of respondents to online 2025 benchmark policy survey

Category of Respondent	Number of Respondents
"Investor" Total	165
Asset Manager	115
Asset Owner	39
Advisor to Institutional Investors	8
Other Investor-related organizations	3
"Non-Investor" Total	83
Public corporation	57
Advisor to public corporation	16
Other Non-Investors	6
Board member of a public corporation	4
Grand Total	248

Of the 165 investor respondents, approximately 70 percent represented asset managers and 23 percent represented asset owners.

Of the 126 non-investor participants, representatives of public corporations were the most prevalent, representing approximately 69 percent, or 73 percent when including the separate respondent category of board members of a public corporation.

Responses from non-profit organizations were categorized as "investor" responses in cases where the organization was considered to be investor-related and representing investor interests or views, and were otherwise classified as "other non-investors."

A small number of institutional investors and other stakeholders provided responses or additional survey-related feedback to ISS through avenues other than the online survey. These responses were not aggregated in the survey results but will be considered qualitatively during the policy development process.

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Consistent with prior years, over half of the 165 investor respondents to the survey represented organizations that cover most or all global markets. Approx. 46 percent of the non-investor respondents declared the U.S. as their primary market of focus.

Primary Market of Focus (as declared by	% of Investor Respondents to Online	% of Non-Investor Respondents to Online
respondent)	Survey	Survey
Global (most or all of the below)	61.82%	26.51%
U.S.	21.21%	45.78%
Continental Europe	7.88%	12.05%
Canada	4.24%	6.02%
U.K. and/or Ireland	1.82%	4.82%
Developing/Emerging markets generally	1.21%	0.00%
Latin America	1.21%	1.20%
Asia-Pacific	0.61%	3.61%

The breakdown of investors by the size of assets owned or assets under management is as follows:

Asset Size in US\$s (as declared by respondent)	% of Investors Respondents to Online Survey
Under \$100 million	2.42%
\$100 million - \$500 million	3.64%
\$500 million - \$1 billion	4.24%
\$1 billion - \$100 billion	47.88%
Over \$100 billion	35.15%
Not Applicable	6.67%

Some respondents answered every survey question; others skipped one or more questions. Throughout this report, response rates are calculated as a percentage of the valid responses received on each question by category, excluding blank and/or questions not answered. A few survey participants who filled out the "Respondent Information" but did not answer any of the survey questions, and those who did not provide valid identifying information, have been excluded from the analysis and are not part of the count or the statistical summaries. For questions that allowed respondents to "choose all that apply", rankings are based on the percentage of responses for each answer choice (percentages indicate what percentage of that category of respondent selected that answer) and will therefore not equal 100 percent in aggregate. Percentages for other questions may potentially not equal 100 percent due to rounding. The comments received in the survey, under "Please specify...", "Please elaborate", "It depends..." and similar answer options, and including comments/input received by email related to the survey, are not included in the statistical results provided in this survey summary report, but will be assessed qualitatively as part of the policy development process. . Lastly, please note that the percentages used in the "Key findings" section below are rounded to the closest whole number. The details of all the survey questions and a statistical summary of the responses for each is presented after the "Key findings" section.

Key findings

Multi-Class Capital Structures (All countries)

The current ISS policy on multi-class capital structures generally looks at whether a company has two or more classes of common (or ordinary) shares with disparate voting rights or different voting entitlements (e.g., the

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right to vote on different sets of directors). Shares other than common shares do not generally fall under the policy. However, some such non-common shares may have voting rights that are superior to those of common shares, and such shares can be used to confer control or other extraordinary rights on a founder or strategic investor that is disproportionate to the level of their capital commitment.

When asked if "non-common" shares with more than one vote per share (other than in cases where these shares vote on an "as-converted" basis) should generally be considered the same way as common shares that have more than one vote per share, the vast majority investors who responded to this question, representing approximately 71 percent of the investors' answers, replied "Yes". On the other hand, non-investors' views were oriented in the opposite direction, with 62 percent of the non-investor respondents replying "No".

Burden of proof for shareholder proposals (U.S.)

Most shareholder proposals at U.S. companies are precatory (non-binding), so that even if a proposal receives majority support, it remains up to the board to determine exactly how (or even whether) to implement that proposal. Shareholder proponents — but not companies responding to a shareholder proposal — are also subject to a strict 500-word limit in the proxy statement, which can in some cases make it difficult for proponents to present detailed arguments in support of their shareholder proposals; and proposals must usually be submitted to the company months in advance, making it difficult for statements to reflect recent developments. For these reasons, in the past many investors have not necessarily expected all shareholder proponents to make a detailed, company-specific case for their proposal, especially when based on widely understood principles or familiar topics.

When asked under what circumstances proponents should make a detailed and company-specific case for a shareholder proposal, the distribution of the responses highlighted a preference to have a detailed and company-specific case for all proposals (43 percent the investors and 60 percent for non-investors), with a further 24 percent of investors and 14 percent of non-investor respondents answering that while it is less important in some cases, it is more important if the proposal requests action that goes beyond disclosure.

Independent Board Chair (U.S.)

Advisory shareholder proposals seeking an independent board chair structure are among the most common shareholder proposals on governance topics at U.S. companies. However, in the absence of company-specific factors suggesting that the board is not exercising sufficient oversight over the management team, these proposals seldom receive majority support.

When asked to express a preference on the topic, 43 percent of the investor respondents chose "An independent board chair is the best way to ensure robust oversight of the board and management team on behalf of shareholders, and shareholder proposals that support this principle at companies that do not have a commitment to have and retain an independent board chair structure are understandable.", and 38 percent of the investors selected "It is generally good to have an independent board chair, but exceptions to this may be appropriate in certain cases. Where they believe this is so, the company/board should explain the exceptional circumstances to its shareholders." On the other hand, a majority of non-investor respondents (51 percent) leaned in a different direction, expressing their preference for the option "A board should generally have the flexibility to determine its leadership structure and whom to appoint as board chair. Only in unusual cases such as when there is evidence that the existing leadership structure has failed to ensure adequate oversight, may a shareholder-endorsed mandate to have an independent chair structure be appropriate."

Written consent (U.S.)

The right to act by written consent can allow shareholders to take action on time-sensitive matters in between annual meetings, usually without the restrictions on timing and subject matter that tend to apply to special meetings called by shareholders. Yet in practice, institutional investors rarely if ever seek to initiate action by written consent. The powers are primarily used by controlling shareholders at controlled companies, where bypassing a shareholder meeting and vote denies minority shareholders the opportunity to question or provide input about the subject of the written consent, or to cast a protest vote against it, if they wish to.

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When asked which options best express the respondent's view of the right to take action by written consent at companies that are not controlled, investor respondents expressed a strong preference (57 percent) for the option "Written consent can be an important tool for shareholder rights, even though rarely used in practice outside controlled companies, as knowing that shareholders COULD take action by written consent may encourage boards to be more responsive to their shareholders. Therefore, all companies should permit shareholders to act by written consent when the right is requested", while almost half of non-investor respondents (49 percent) chose "Written consent is unlikely to be used in a way that benefits minority shareholders, and we do not support written consent rights regardless of a company's other governance provisions." Approx. one-third of both non-investor and investor respondents (31 and 34 percent, respectively) opted for the option "It depends, and the need for a written consent right is largely obviated by a robust right to call a special meeting."

As a follow-up question, respondents were asked to indicate the ownership threshold at which they believe a special meeting right would be sufficiently robust to obviate the need for a written consent right. More than half of the investor respondents (57 percent) expressed their preference for the "10% (current level of ISS U.S. policy)" option. The second most selected option by the investor respondents (22 percent) was "It depends on the size of the company and the composition of the shareholder base.", which was also the preferred alternative of non-investor respondents (29 percent). For both categories of respondents, the "5%" threshold was the least supported option (4 percent by investors, and 7 percent by non-investors). We note that only 14 non-investor respondents gave an answer on this follow-up question.

Director Overboarding (All countries)

There have been increasing regulatory requirements and other responsibilities on directors, and increasing needs to keep up to date with multiple sources of risks, all of which have contributed to greater expectations of directors with respect to time commitments and board refreshment. ISS last elicited views on director overboarding in its 2019 policy survey. Since that time, some institutional investors have further tightened their own policies on the maximum number of public board mandates they consider acceptable for directors before considering them overboarded. Market standards vary between different countries globally regarding the maximum number of non-executive positions, or the maximum number of additional public company roles that should be held to avoid risks of overboarding. In the context of evolving expectations and standards, ISS is re-visiting the topic of overboarding this year to elicit further views. Where local market best practice codes and/or regulations provide upper limits for board mandates, ISS policies globally generally already reflect these limits.

With respect to non-executive directors, where no relevant local market limits exist, respondents were asked to express a preference on the limit of board mandates for a non-executive director to avoid risks of overboarding. The option "Five total board seats is an appropriate maximum limit." was selected by 26 percent of the investor respondents and by 19 percent of non-investor respondents. The alternative "Four total board seats is an appropriate maximum limit." was preferred by 25 percent of the investor respondents and by 22 percent of non-investor respondents. More than one-third of non-investor respondents (38 percent) but only 9 percent of investor respondents selected the option "A general limit should not be applied, each board should consider what it views as appropriate and act accordingly."

With respect to CEOs, where no relevant local market limits exist, respondents were asked which option best represents limits for a CEO to avoid risks of overboarding. More than half of the investor respondents (55 percent) and approximately one-third of the non-investor respondents (34 percent) selected "One external board seat is an appropriate maximum limit for a CEO." However, the most selected option for non-investor respondents (39 percent) was "A general CEO limit should not be applied, each board should consider what it views as appropriate and act accordingly."

Also with respect to CEOs, respondents were asked if it is a particular concern for overboarding if a CEO holds a position as a board chair at a listed company outside the company's group. Investor respondents displayed a strong preference (77 percent) for the option "Yes, because a board chair has additional responsibilities and commitments beyond those of other non-executive board members.", while non-investors' responses were

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more split among the three possible alternatives (i.e. Yes; No; It depends), highlighting a slight preference (40 percent) for the choice "No, it should be considered the same as any other board mandate".

Lastly, respondents were asked if each public board seat should be considered a separate mandate for the purpose of assessing potential overboarding for an executive director, particularly a group CEO, who sits as a non-executive on multiple public company boards within the same group of connected companies. Both investor and non-investor respondents had a preference (46 and 65 percent, respectively) for the answer " *No, because within a group of connected companies, even where there are separate public company boards, there will be synergies that will result in fewer concerns about a director being overboarded.*" while the second most selected option for both categories of respondents (32 and 21 percent, respectively) was "Yes, because each public company board mandate has its own specific responsibilities and commitments.".

Non-Executive Director Pay (U.S.)

Since 2018, ISS U.S. research has identified and disclosed companies with outlier Non-Executive (NED) director pay, as compared to similar U.S. index and industry peers. To identify NED pay outliers, ISS reviews NED pay levels relative to other U.S. companies within the same index and 4-digit GICS industry group (typically excluding new directors or directors who received recent, well-explained special grants or payments). If an outlier is identified, ISS also reviews the structure of the NED compensation to identify any problematic NED pay practices (e.g., performance equity awards, excessive perquisites, or retirement programs).

Currently, under ISS U.S. Benchmark voting policy, ISS provides cautionary language in proxy analyses and reports if high (outlier) NED pay levels and/or other problematic NED pay practices are identified at a company and will generally make adverse vote recommendations on members of the committee that approves NED pay after two consecutive years if a reasonable rationale is not disclosed. There is a concern however, that waiting for two consecutive years of problematic pay practices to issue adverse ISS vote recommendations could result in investors missing any cases of single or non-consecutive years of problematic NED pay practices at a company. ISS is considering updating its policy in this regard and seeks current views on outlier or problematic non-executive director pay.

The survey asked respondents to identify specific problematic practices in NED pay that would usually warrant immediate concerns for investors and potentially adverse ISS vote recommendations, even if only in one year. Among the options selected by investors, three were chosen with nearly equally frequency at around one-third support for each, accounting for the vast majority of their choices: "Inadequate disclosure or lack of clearly disclosed rationale in the proxy for unusual NED payments." (34 percent), "Excessive perquisites (such as travel), performance awards, stock option grants, or retirement benefits." (32 percent), and "Particularly large NED pay magnitude or NED pay that exceeds that of executive officers." (33 percent).

Non-investor responses revealed a nuanced perspective. Their most checked option was "Inadequate disclosure or lack of clearly..." at 31 percent. However, 25 percent of their choices were for "No", indicating that a quarter of this group does not believe that any of these problematic practices should immediately trigger an adverse vote recommendation.

Equity time-based vs. performance-based long-term executive incentives (All countries)

Some investors, companies, and other market participants have expressed concerns about the use of performance-based equity programs in executive pay, most notably in the U.S. Among the concerns are that such programs can be overly complex, costly, and sometimes non-rigorous. Certain markets, for example, in the U.K. and more recently in some markets in Continental Europe, have also started to see a trend towards more adoption by some companies of purely time-based equity incentives, either as a minority proportion in a mix with performance-based awards, or as the main or primary part of a company's long-term incentive awards. Some investors have advocated for reducing the emphasis on (or even replacing entirely) performance-based equity awards in favor of purely time-vesting equity awards, especially those that have an especially long horizon through extended vesting schedules and/or meaningful stock retention requirements. Other investors continue to believe that performance-based equity programs can provide meaningful insight into the board's performance expectations and create a performance incentive for executives that can be

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better aligned with long-term shareholder interests, company value, and strategy than purely time-based equity awards.

When asked if time-based equity structures are acceptable for part or all of executive long-term incentive awards, 38 percent of the investor respondents and almost half of the non-investor respondents (45 percent) selected the option "Yes, but only for part of the awards; plans should provide a mix of time- and performance-based awards." The second preferred answer for the investor respondents (with 31 percent) was "It depends. The adoption of time-based equity compensation with an extended time horizon may be acceptable for certain industries or due to specific factors disclosed by the company."

Respondents' opinions were also sought to ascertain views on what represents sufficiently long-term vesting and/or post-vesting retention periods to dispense with performance requirements for part or all of executive long-term incentive awards. Almost half of the investor respondents (46 percent) chose the option "At least 5 years vesting and/or post-vesting retention requirement in aggregate (for example, 3 years vesting plus 2 years post-vesting retention)." More than half of non-investor respondents (57 percent) expressed their preference for the option "At least 3 years vesting, without a further post-vesting retention period."

When asked to provide views on a reasonable mix of time- and performance-based awards, investors' responses did not highlight any significant preference, while non-investors' responses were generally in favor of two options with c. 30 percent of support each: "Time-based awards should not exceed 50% of the awards granted under the program." and "Time-based awards with a sufficient long-term time horizon are not problematic and they can comprise either all or a majority part of long-term executive incentives.".

Then specifically for the U.S. market, the survey asked respondents which would be considered a sufficiently long-term scheme to dispense with performance requirements for part or all of executive long-term incentive awards, investor respondents' most voted option (31 percent) was "Three-year vesting plus at least a two-year post-vesting retention requirement." while 21 percent of investors expressed their preference for the option "Equity awards should always include performance conditions, regardless of the length of the vesting.". For both investors and non-investors, c. a quarter of respondents considered a period of five years sufficiently long term, regardless of the allotment between vesting and post-vesting period.

Still considering specifically the U.S. market, the policy asked for views on what would be considered a meaningful stock retention requirement (post-vesting or post-exercise) for after-tax net shares. 41 percent of investor respondents selected the option " 100% retention of net shares for the specified time period.", while all the other three alternatives registered c. 20 percent of support each from investors. Non-investors in 44 percent of the responses stated a preference for the alternative "At least 50% retention of net shares for the specified time period.", while another significant portion of non-investor respondents (42 percent) selected the more generic response "Other".

Say-On-Pay Responsiveness Policy (U.S.)

Shareholder engagement plays an important role in corporate governance, and it is a primary factor in ISS' U.S. say-on-pay responsiveness policy. When a company receives low say-on-pay vote support, ISS assesses proxy disclosure of shareholder engagement and feedback when evaluating a compensation committee's responsiveness. However, recent SEC guidance may deter some institutional investors from engaging with companies or providing feedback. Specifically, the SEC issued new guidance on when investors can file a shortform Schedule 13G as a passive investor rather than a long-form Schedule 13D for active investors. The new guidance states that engagement on executive compensation issues with the purpose of changing or influencing control may disallow an institutional investor to file as a passive investor and instead require the investor to file as an active investor, which comes with more onerous requirements. This update has already caused some institutional investors to halt or limit providing feedback on compensation issues. This, in turn, may make it more difficult for companies to determine and disclose shareholders' concerns that led to a low say-on-pay vote result.

The survey asked for respondents' perspectives on the question "If a company discloses that it was unable to obtain shareholder feedback after attempting to engage with investors, how should ISS view this in the context

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of say-on-pay responsiveness?" Both categories of respondents expressed a majority preference (64 percent for the investors and 88 percent for the non-investors) for the answer "The absence of disclosed shareholder feedback should not be viewed negatively if the company discloses that it attempted but was unable to obtain sufficient investor feedback.".

ISS' U.S. responsiveness policy also assesses whether pay program changes are linked to shareholders' feedback. Respondents were asked if in the absence of disclosed feedback, pay program changes be considered responsive. For both categories of respondents, the answers were overwhelmingly (80 percent for the investors and 91 percent for the non-investors) favoring the option: "Yes, pay program changes, when showing improvement in remuneration practices, can be considered responsive, even in the absence of disclosed shareholder feedback.".

Modification or removal of ESG/DEI metrics for in-flight awards (U.S., Canada)

Some companies have already disclosed changes to their go-forward incentive pay programs to remove environmental & social (E&S) or diversity, equity & inclusion (DEI) metrics from the executive pay program, citing factors such as recent U.S. executive orders, the political climate, or other perceived risks associated with maintaining such metrics. A smaller number of companies have modified outstanding pay programs to remove such metrics from in-flight awards. ISS and many investors have historically viewed changes to in-flight awards negatively, unless a company has disclosed a compelling rationale for the action.

When asked how ISS should assess the removal of E&S or DEI-related metrics from in-flight awards, investors respondents expressed a strong preference (73 percent) for the option: "Continue with the current approach, whereby changes to in-flight awards are generally viewed negatively absent a compelling rationale.", while non-investor respondents preferred the other alternative "The removal of E&S or DEI metrics from in-flight awards generally should not in and of itself be considered problematic absent other concerns." (76 percent).

Hybrid Equity Incentive Plans (U.K.)

Over recent years a number of U.K. companies have proposed 'hybrid equity plans' (i.e., plans that grant both time and performance-based awards) under their remuneration policies, as part of a long-term executive incentive plan. While such plans have operated in the U.K. market below the board level, it is only recently that a sizeable minority of U.K.-listed companies have proposed them as part of their Executive Officer remuneration packages. Most of these companies have decided to incorporate time-based awards for executive awards without a significant discount in total remuneration opportunity (rather, they have often been proposed as part of an overall increase in pay opportunity). The main rationale presented by the companies to explain this shift is the need to retain and recruit talent in an increasingly competitive global market, where companies (frequently operating in the U.S. market) offer pay opportunities that are significantly higher than those offered in the U.K., as well as executive remuneration structures that are considered less rigorous.

Considering this topic, respondents were asked if they consider it acceptable for U.K. companies to adopt such hybrid plans as part of their long-term executive remuneration, even if associated with an overall increase in remuneration opportunity. Respondents did not highlight any strong preferences. The option " It depends on the overall terms of the equity compensation plan (for example, the mix of time- and performance-based awards granted under the plan)." was selected by 31 percent of the investor respondents and 23 percent of the non-investor respondents. The option "The adoption of hybrid plans is generally acceptable but should not generally be in the context of significant increases in executive compensation opportunity.", was favored by 28 percent of investors and 30 percent of non-investors.

AI Governance and Risk Management (All Countries)

Artificial Intelligence (AI) is rapidly transforming the corporate landscape, presenting both significant opportunities and complex new risks. As this technology evolves, establishing robust governance and risk management practices is becoming increasingly crucial for many companies. In the 2025 proxy season, we

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observed increasing shareholder interest in how many companies are both addressing these challenges and seizing the potential of AI.

Respondents were asked if expecting a company significantly using AI to use a global framework (for example, OECD AI Principles, NIST AI RMF, etc.) for assessing AI-related risks is appropriate at this time. Non-investor respondents overwhelmingly selected the option "It is probably premature for most companies." (84 percent) while only 16 percent opted for the remaining alternative "It is probably timely for most companies." On the other hand, 58 percent of the investor respondents supported the "It is probably timely for most companies" option, and the remaining 41 percent the "It is probably premature for most companies" option.

Respondents' perspectives were sought on whether companies should publicly share how their boards are overseeing AI business or AI implementation systems with the goal of managing AI-related risks. The preferred option for both categories (54 percent for the investor respondents and 73 percent for the non-investor respondents) was "Only in cases where AI plays a significant role in the business or business strategy (where businesses already have or plan to implement significant AI use)." The answer "In all or most cases - companies/boards which do not consider it relevant can disclose and explain their rationale." was chosen by 43 percent of investors and 13 percent of non-investors.

Respondents were also asked to what extent a board's public disclosure of its AI oversight measures indicates its depth of understanding of AI-related issues and risks. Both investor and non-investor respondents expressed a preference for the option "Public disclosure alone does not necessarily imply a board's solid understanding of AI." (69 and 53 percent, respectively). Slightly less than one-third of non-investor respondents (29 percent) opted for the alternative "There is little general correlation between disclosure and understanding."

The survey also explored views on what type of information may be relevant for demonstrating that a board is adequately equipped to oversee Al-related risks and opportunities. The results did not highlight any relevant preference, as all answers (excluding the "Other" alternative) were almost equally chosen by both categories of respondents.

The last AI-related question investigated whether every board needs AI expertise or a dedicated committee to understand the company's AI-related risks and/or opportunities, or if it is sufficient for most boards to have access to external experts when needed. 40 percent of investor respondents and 25 percent of non-investor respondent opted for the answer "Only companies where AI is central to their core business or poses significant risks would need an AI expert or dedicated committee.", while the option "Unless AI is central to their core business or poses significant risks, it is sufficient for most boards to have access to external AI advisors when needed.", was the favored choice of 38 percent of the investor respondents and of 58 percent of the non-investor respondents.

The survey sought respondents' opinions on how important – on a scale from 1 (Not Important) to 4 (Very Important) - it is for companies to publicly disclose their identified risks specifically related to three categories of risks: biodiversity, cybersecurity and human rights. A significant number of investor respondents attributed the highest importance (i.e., 4, Very Important) to disclosures under each of the three risk categories: 54 percent for biodiversity risks, 79 percent for cybersecurity risks, and 73 percent for human rights related risks. Score 1, Not Important, was the least selected score by investor respondents for each of the three risk categories – 8 percent for biodiversity risks, 2 percent for cybersecurity risks, and 4 percent for human rights related risks. Non-investors' responses followed a different pattern. On disclosure of biodiversity risks, 43 percent of respondents selected "Not Important" (i.e., 1) and 31 percent ranked it as a 2, the second lowest importance score. Cybersecurity risk disclosure was rated as "Very Important" (i.e., 4) by 51 percent of non-investor respondents and by a further 27 percent as a 3, the second highest importance score. Non-investor responses on the importance of disclosure of human rights related risks were evenly scored in the middle at 31 percent each for scores 2 and 3, and with 20 percent for score 4, Very Important, and 18 percent for score 1, Not Important.

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Board diversity and DEI (U.S.)

How many investors and companies approach diversity matters at U.S. companies has shifted recently, driven by factors including U.S. legal and regulatory developments and changing sentiments. In February 2025 ISS halted the application of its U.S. board diversity-based voting guidelines for ISS' proprietary U.S. Benchmark and Specialty policies. Specifically, for U.S. companies and shareholder meeting reports published on or after February 25, 2025, consideration of the gender, and racial and/or ethnic diversity of a company's board when making vote recommendations under those policies on the election or re-election of directors at U.S. companies was suspended. The relevant ISS research reports for U.S. companies continued to include data on board diversity factors (where available) for investor subscribers interested in that data. We understand that many investors remain interested in assessing board diversity and potentially in corporate DEI program-related disclosures. Additionally, shareholder proposals related to DEI topics have evolved over recent years.

The survey aimed at getting further insights into how institutional investors, companies (particularly U.S. companies), and other stakeholders are approaching these topics. When asked to select the answer or answers that most closely reflected the views of their organization, the most selected option by investor respondents, with 29 percent selecting it, was "We remain focused on the importance of board, executive and workforce diversity, including diversity targets where applicable, and expect that most U.S. companies will disclose their approach to the diversity demographics of their boards as well as other DEI matters". The second most chosen answer by investor respondents was "Corporate DEI-related practices have evolved in the U.S., and disclosure on how companies assess risks or opportunities associated with DEI, whether they are scaling back or maintaining corporate DEI programs, is generally helpful for shareholders." at 24 percent. The option "Irrespective of complexity, shareholder proposals on DEI topics are an unnecessary distraction for companies." was the least chosen answer by investor respondents at 2 percent. As far as non-investors were concerned, the most frequent agreement was registered for the answer "We no longer (or never did) consider numerical board or executive diversity targets but expect that U.S. company boards will continue to have a mix of professional and personal characteristics that is comparable to market norms and to each company's business needs." which was chosen by slightly more than one third of the respondents (34 percent), while the second most selected answer (21 percent) was "Shareholder proposals on DEI topics have become more complex, and should be considered on a case-by-case basis, both by investors and by companies".

The final question of the survey asked respondents to select the factor or factors that the respondents' organizations consider relevant in considering or assessing the diversity of a board.

The distribution of the answers provided by the two categories of respondents did not significantly differ. The most selected options were "Skills and experience mix appropriate to the company's business", "Gender mix", and "Tenure on board mix", while the options "Other factors" and "We do not consider any measures of board diversity to be relevant for consideration." received minimal support across both respondent categories with under 1 percent of investors and just over 1 percent of non-investor respondents selecting this option.

Detailed survey questions and summary of statistical responses

Multi-Class Capital Structures (All countries)

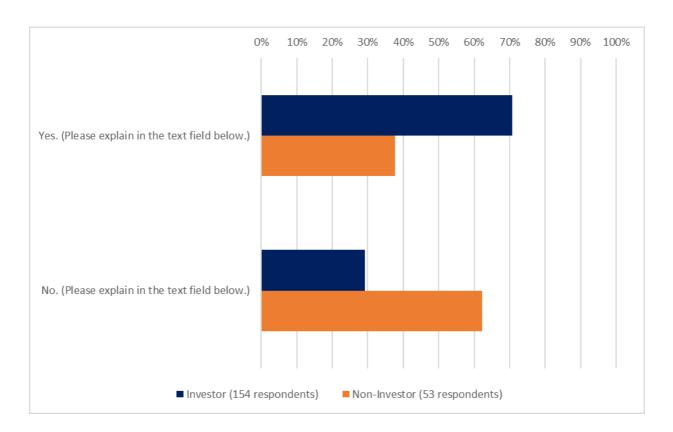
Q8. The current ISS policy on multi-class capital structures generally looks at whether a company has two or more classes of common (or ordinary) shares with disparate voting rights or different voting entitlements (e.g. the right to vote on different sets of directors). Shares other than common shares do not generally fall under the policy. However, some such non-common shares may have voting rights that are superior to those of common shares, and such shares can be used to confer control or other extraordinary rights on a founder or strategic investor that is disproportionate to the level of their capital commitment.

For purposes of ISS benchmark policy on multi-class capital structures, does your organization consider that such "non-common" shares with more than one vote per share (other than in cases where these shares vote on an "as-converted" basis) should generally be considered the same way as common shares that have more than one vote per share?

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Responses	Investor (154 respondents)	Non-Investor (53 respondents)	
Yes.	70.78%		37.74%
No.	29.22%		62.26%



Burden of proof for shareholder proposals (U.S.)

Q11. The vast majority of shareholder proposals at U.S. companies are precatory (non-binding), so that even if a proposal receives majority support, it remains up to the board to determine exactly how (or even whether) to implement that proposal. Shareholder proponents – but not companies responding to a shareholder proposal – are also subject to a strict 500-word limit in the proxy statement, which can in some cases make it difficult for proponents to present detailed arguments in support of their shareholder proposals; and proposals must usually be submitted to the company months in advance, making it difficult for statements to reflect recent developments. For these reasons, in the past many investors have not necessarily expected all shareholder proponents to make a detailed, company-specific case for their proposal, especially when based on widely understood principles or familiar topics.

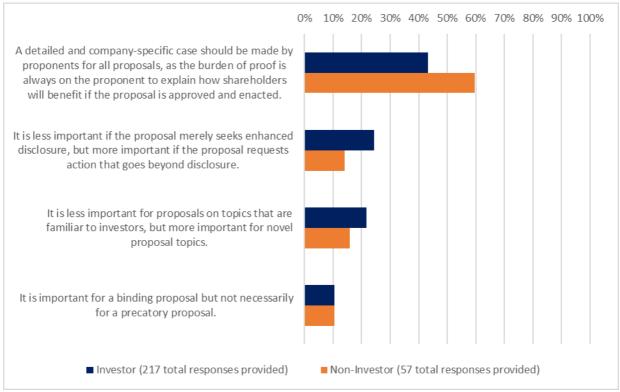
Under what circumstances does your organization believe that proponents should make detailed and company-specific cases for a shareholder proposal? (Please, choose as many as applicable.)

Responses	Investor (154 respondents)	Non-Investor (48 respondents)
A detailed and company-specific case should be made by proponents for all proposals, as the burden of proof is always on the proponent to explain how shareholders will benefit if the proposal is approved and		
enacted.	43.32%	59.65%

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It is less important if the proposal merely seeks enhanced disclosure, but more important if the proposal requests action that goes beyond		
disclosure.	24.42%	14.04%
It is less important for proposals on topics that are familiar to		
investors, but more important for novel proposal topics.	21.66%	15.79%
It is important for a binding proposal but not necessarily for a		
precatory proposal.	10.60%	10.53%
Total responses provided	217	57



^{*}This question allowed for multiple selections. Percentages are based on the total number of responses provided by each group, not the total number of respondents.

Independent Board Chair (U.S.)

Q12. Advisory shareholder proposals seeking an independent board chair structure are among the most common shareholder proposals on governance topics at U.S. companies. However, in the absence of company-specific factors suggesting that the board is not exercising sufficient oversight over the management team, these proposals seldom receive majority support.

Which of the following best describes your organization's view of such independent board chair proposals?

Responses	Investor (157 respondents)	Non-Investor (51 respondents)
nesponses	(157 Tespondents)	(31 respondents)
An independent board chair is the best way to ensure robust oversight of the board and management team on behalf of shareholders, and shareholder proposals that support this principle at companies that do not have a commitment to have and retain an independent board		
chair structure are understandable.	43.31%	11.76%
It is generally good to have an independent board chair, but		
exceptions to this may be appropriate in certain cases. Where they	37.58%	21.57%

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believe this is so, the company/board should explain the exceptional circumstances to its shareholders.		
An independent board chair structure is not necessarily best, and such proposals should be considered on a fully case-by-case basis, considering such factors as the robustness of the lead director role, the company's overall governance structure, and the performance of the company (for example, relative to peers).	14.01%	15.69%
A board should generally have the flexibility to determine its leadership structure and whom to appoint as board chair. Only in unusual cases such as when there is evidence that the existing leadership structure has failed to ensure adequate oversight, may a shareholder-endorsed mandate to have an independent chair		
structure be appropriate.	5.10%	50.98%



Written consent (U.S.)

Q13. The right to act by written consent can allow shareholders to take action on time-sensitive matters in between annual meetings, usually without the restrictions on timing and subject matter that tend to apply to special meetings called by shareholders. Yet in practice, institutional investors rarely if ever seek to initiate action by written consent, and the powers are primarily used by controlling shareholders at controlled companies, where bypassing a shareholder meeting and vote denies minority shareholders the opportunity to question or provide input about the subject of the written consent, or to cast a protest vote against it, if they wish to.

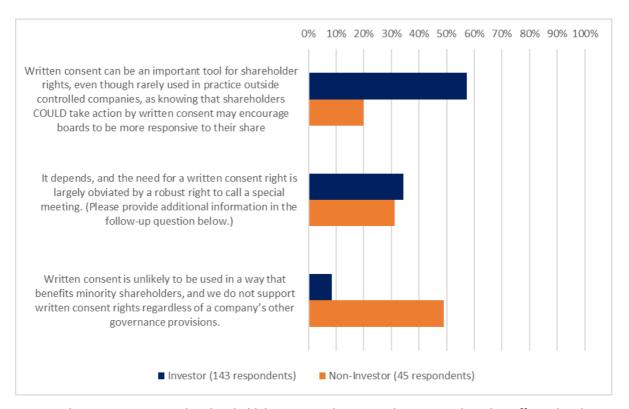
Which of the following options best expresses your organization's view of the right to take action by written consent at companies that are NOT controlled?

Responses	Investor (143 respondents)	Non-Investor (45 respondents)
Written consent can be an important tool for shareholder rights, even though rarely used in practice outside controlled companies, as knowing that shareholders COULD take action by written consent may encourage boards to be more responsive to their shareholders. Therefore, all companies should permit shareholders to act by written consent with the right is requested.	57.34%	20.00%
It depends, and the need for a written consent right is largely obviated by a robust right to call a special meeting.	34.27%	31.11%

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Written consent is unlikely to be used in a way that benefits		
minority shareholders, and we do not support written consent		
rights regardless of a company's other governance provisions.	8.39%	48.89%

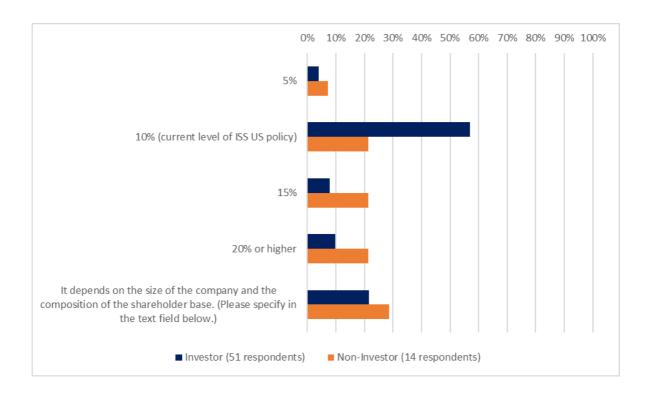


Q14. At what minimum ownership threshold do you consider a special meeting right to be sufficiently robust to obviate the need for a written consent right?

Responses	Investor (51 respondents)	Non-Investor (14 respondents)
5%	3.92%	7.14%
10% (current level of ISS U.S. policy)	56.86%	21.43%
15%	7.84%	21.43%
20% or higher	9.80%	21.43%
It depends on the size of the company and the composition of the shareholder base.	21.57%	28.57%

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Director Overboarding (All countries)

Q16. There have been increasing regulatory requirements and other responsibilities on directors, and increasing needs to keep up to date with multiple sources of risks, all of which have contributed to greater expectations of directors with respect to time commitments and board refreshment. ISS last elicited views on director overboarding in its 2019 policy survey. Since that time, some institutional investors have further tightened their own policies on the maximum number of public board mandates they consider acceptable for directors before considering them overboarded.

Market standards vary between different countries globally regarding the maximum number of non-executive positions, or the maximum number of additional public company roles that should be held to avoid risks of overboarding. In the context of evolving expectations and standards, ISS is re-visiting the topic of overboarding this year to elicit further views.

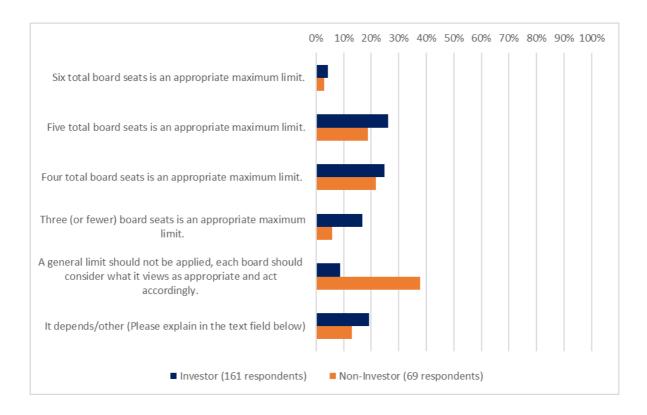
Where local market best practice codes and/or regulations provide upper limits for board mandates, ISS policies globally generally already reflect these limits.

With respect to non-executive directors, where no relevant local market limits exist, which of the following best represents your organization's view of appropriate limits for a non-executive director to avoid risks of overboarding?

Responses	Investor (161 respondents)	Non-Investor (69 respondents)
Six total board seats is an appropriate maximum limit.	4.35%	2.90%
Five total board seats is an appropriate maximum limit.	26.09%	18.84%
Four total board seats is an appropriate maximum limit.	24.84%	21.74%
Three (or fewer) board seats is an appropriate maximum limit.	16.77%	5.80%
A general limit should not be applied, each board should consider what it views as appropriate and act accordingly.	8.70%	37.68%
It depends/other	19.25%	13.04%

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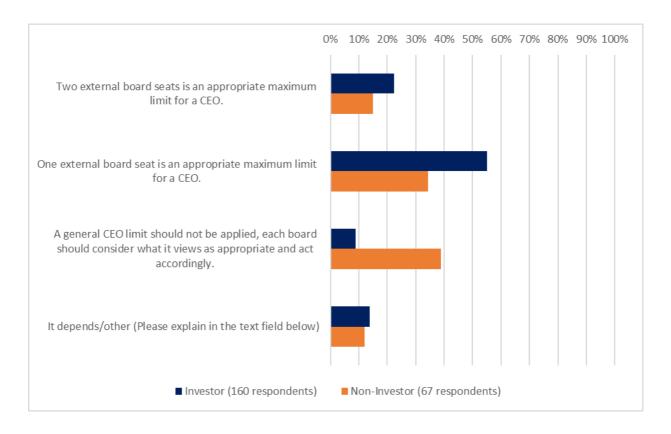
Q18. With respect to CEOs, where no relevant local market limits exist, which of the following best represents your organization's view of appropriate limits for a CEO to avoid risks of overboarding?

Responses	Investor (160 respondents)	Non-Investor (67 respondents)
Two external board seats is an appropriate maximum limit for a CEO.	22.50%	14.93%
One external board seat is an appropriate maximum limit for a CEO.	55.00%	34.33%
A general CEO limit should not be applied, each board should consider what it views as appropriate and act accordingly.	8.75%	38.81%
It depends/other	13.75%	11.94%

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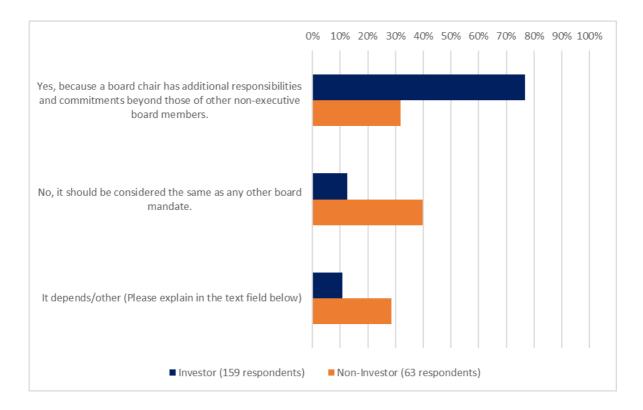


Q20. With respect to CEOs, is it a particular concern for overboarding if a CEO holds a position as a board chair at a listed company outside the company's group?

Responses	Investor (159 respondents)	Non-Investor (63 respondents)
Yes, because a board chair has additional responsibilities and commitments beyond those of other non-executive board		
members.	76.73%	31.75%
No, it should be considered the same as any other board		
mandate.	12.58%	39.68%
It depends/other	10.69%	28.57%

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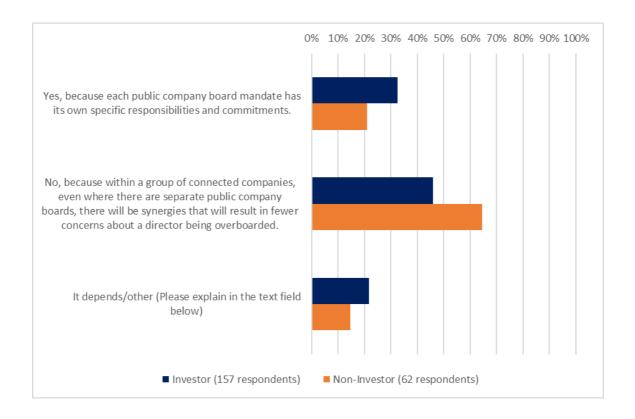


Q22. In a situation where an executive director, particularly a group CEO, sits as a non-executive on multiple public company boards within the same group of connected companies, do you consider that each such public board seat should be considered a separate mandate for the purposes of assessing potential overboarding?

Responses	Investor (157 respondents)	Non-Investor (62 respondents)
Yes, because each public company board mandate has its own specific responsibilities and commitments.	32.48%	20.97%
No, because within a group of connected companies, even where there are separate public company boards, there will be synergies that will		
result in fewer concerns about a director being overboarded.	45.86%	64.52%
It depends/other	21.66%	14.52%

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Non-Executive Director Pay (U.S.)

Q24. Since 2018, ISS U.S. research has identified and disclosed companies with outlier Non-Executive (NED) director pay, as compared to similar U.S. index and industry peers. To identify NED pay outliers, ISS reviews NED pay levels relative to other U.S. companies within the same index and 4-digit GICS industry group (typically excluding new directors or directors who received recent, well-explained special grants or payments). If an outlier is identified, ISS also reviews the structure of the NED compensation to identify any problematic NED pay practices (e.g., performance equity awards, excessive perquisites, or retirement programs).

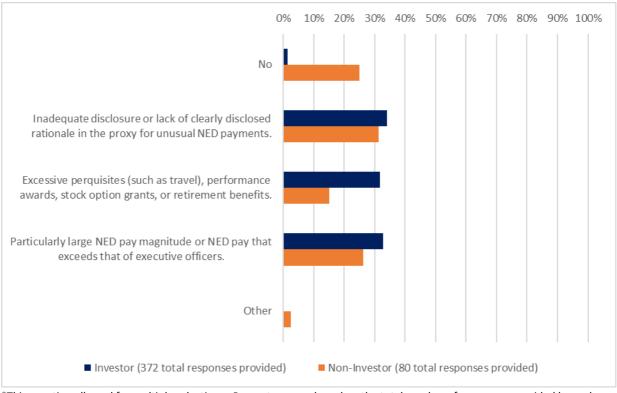
Currently, under ISS U.S. Benchmark voting policy, ISS provides cautionary language in proxy analyses and reports if high (outlier) NED pay levels and/or other problematic NED pay practices are identified at a company and will generally make adverse vote recommendations on members of the committee that approves NED pay after two consecutive years if a reasonable rationale is not disclosed. There is a concern however that waiting for two consecutive years of problematic pay practices to issue adverse ISS vote recommendations could result in investors missing any cases of single or non-consecutive years of problematic NED pay practices at a company. ISS is considering updating its policy in this regard and seeks current views on outlier or problematic non-executive director pay.

Are there specific problematic practices in NED pay that you consider would usually warrant immediate concerns for investors and potentially adverse ISS vote recommendations, even if only in one year? (Check all that apply)

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Responses	Investor (152 respondents)	Non-Investor (51 respondents)
No	1.34%	25.00%
Inadequate disclosure or lack of clearly disclosed rationale in the proxy for unusual NED payments.	34.14%	31.25%
Excessive perquisites (such as travel), performance awards, stock option grants, or retirement benefits.	31.72%	15.00%
Particularly large NED pay magnitude or NED pay that exceeds that of executive officers.	32.80%	26.25%
Other	0.00%	2.50%
Total responses provided	372	80



^{*}This question allowed for multiple selections. Percentages are based on the total number of responses provided by each group, not the total number of respondents.

Q25. Some investors, companies and other market participants have expressed concerns about the use of performance based equity programs in executive pay, most notably in the U.S.. Among the concerns are that such programs can be overly complex, costly, and sometimes non-rigorous.

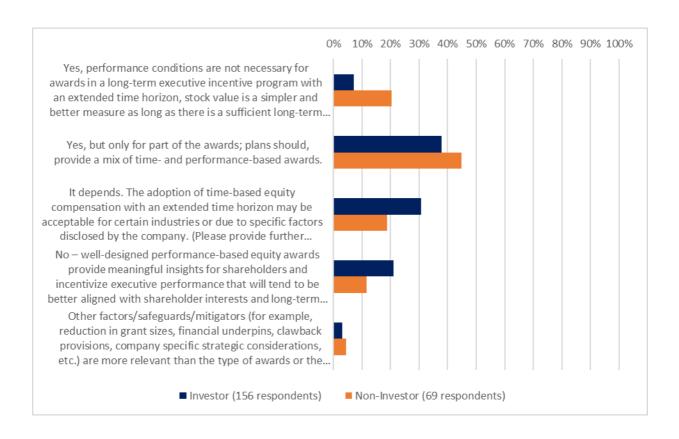
Certain markets, for example in the U.K. and more recently in some markets in Continental Europe, have also started to see a trend towards more adoption by some companies of purely time-based equity incentives, either as a minority proportion in a mix with performance-based awards, or as the main or primary part of a company's long-term incentive awards. Some investors have advocated for reducing the emphasis on (or even replacing entirely) performance-based equity awards in favor of purely time-vesting equity awards, especially those that have an especially long horizon through extended vesting schedules and/or meaningful stock retention requirements. Other investors continue to believe that performance-based equity programs can provide meaningful insight into the board's performance expectations and create a performance incentive for executives that can be better aligned with long-term shareholder interests, company value and strategy than purely time-based equity awards.

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In this context, does your organization consider time-based equity structure acceptable for part or all of executive long-term incentive awards?

Responses	Investor (156 respondents)	Non-Investor (69 respondents)
Yes, performance conditions are not necessary for awards in a long-term executive incentive program with an extended time horizon, stock value is a simpler and better measure as long as there is a sufficient long-term time horizon.	7.05%	20.29%
Yes, but only for part of the awards; plans should, provide a mix of time- and performance-based awards.	37.82%	44.93%
It depends. The adoption of time-based equity compensation with an extended time horizon may be acceptable for certain industries or due to specific factors disclosed by the company. (Please provide further comments in the text box below.)	30.77%	18.84%
No – well-designed performance-based equity awards provide meaningful insights for shareholders and incentivize executive performance that will tend to be better aligned with shareholder interests and long-term company value.	21.15%	11.59%
Other factors/safeguards/mitigators (for example, reduction in grant sizes, financial underpins, clawback provisions, company specific strategic considerations, etc.) are more relevant than the type of awards or the ratio of time-based and performance-based awards. (Please provide any further		
comments in the text box.)	3.21%	4.35%

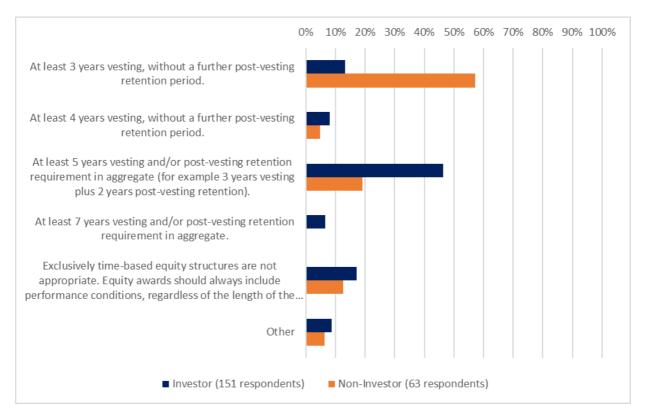


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Q28. In this context, which of the following vesting and/or post-vesting retention periods does your organization consider would be sufficiently long-term for a company to dispense with performance requirements for part or all of its executive long-term incentive awards?

Responses	Investor (151 respondents)	Non-Investor (63 respondents)
At least 3 years vesting, without a further post-vesting retention period.	13.25%	57.14%
At least 4 years vesting, without a further post-vesting retention period.	7.95%	4.76%
At least 5 years vesting and/or post-vesting retention requirement in aggregate (for example 3 years vesting plus 2 years post-vesting retention).	46.36%	19.05%
At least 7 years vesting and/or post-vesting retention requirement in aggregate.	6.62%	0.00%
Exclusively time-based equity structures are not appropriate. Equity awards should always include performance conditions, regardless of the length of the vesting and/or holding periods.	17.22%	12.70%
Other	8.61%	6.35%

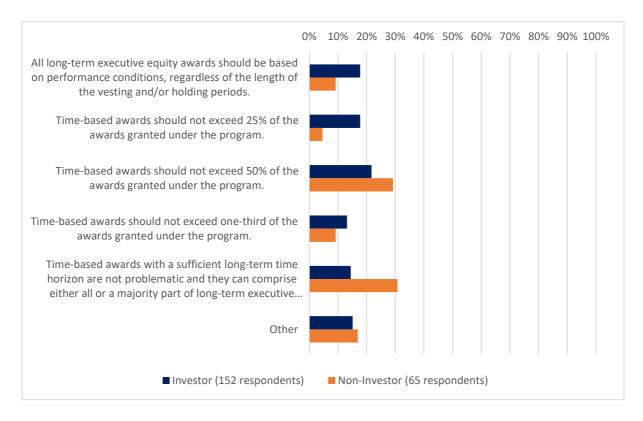


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Q29. In a long-term executive incentive program with a mix of time- and performance-based awards, what would your organization consider a reasonable mix of time- and performance-based awards?

Responses	Investor (152 respondents)	Non-Investor (65 respondents)
All long-term executive equity awards should be based on	(132 respondents)	(03 respondents)
performance conditions, regardless of the length of the vesting		
and/or holding periods.	17.76%	9.23%
Time-based awards should not exceed 25% of the awards granted		
under the program.	17.76%	4.62%
Time-based awards should not exceed 50% of the awards granted		
under the program.	21.71%	29.23%
Time-based awards should not exceed one-third of the awards		
granted under the program.	13.16%	9.23%
Time-based awards with a sufficient long-term time horizon are not		
problematic and they can comprise either all or a majority part of		
long-term executive incentives.	14.47%	30.77%
Other	15.13%	16.92%



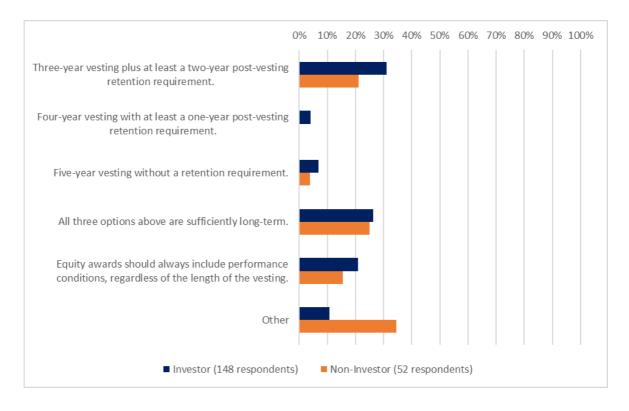
Equity time-based vs. performance-based long-term executive incentives (U.S.)

Q30. SPECIFICALLY FOR THE U.S. MARKET, given that the distinction between vesting and post-vesting or post-exercise retention requirements can be particularly relevant for investors and companies, what would your organization consider a sufficiently long-term scheme to dispense with performance requirements for part or all of executive long-term incentive awards?

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Responses	Investor (148 respondents)	Non-Investor (52 respondents)
Three-year vesting plus at least a two-year post-vesting retention requirement.	31.08%	21.15%
Four-year vesting with at least a one-year post-vesting retention requirement.	4.05%	0.00%
Five-year vesting without a retention requirement.	6.76%	3.85%
All three options above are sufficiently long-term.	26.35%	25.00%
Equity awards should always include performance conditions, regardless of the length of the vesting.	20.95%	15.38%
Other	10.81%	34.62%

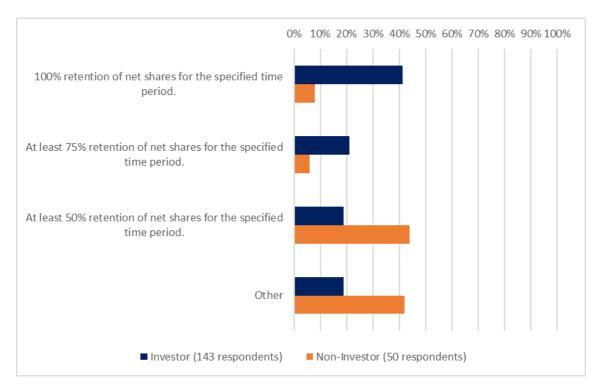


Q31. STILL CONSIDERING THE U.S. MARKET SPECIFICALLY, what would your organization consider to be a meaningful stock retention requirement (post-vesting or post-exercise) for after-tax net shares?

Responses	Investor (143 respondents)	Non-Investor (50 respondents)
100% retention of net shares for the specified time period.	41.26%	8.00%
At least 75% retention of net shares for the specified time period.	20.98%	6.00%
At least 50% retention of net shares for the specified time period.	18.88%	44.00%
Other	18.88%	42.00%

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Say-On-Pay Responsiveness Policy (U.S.)

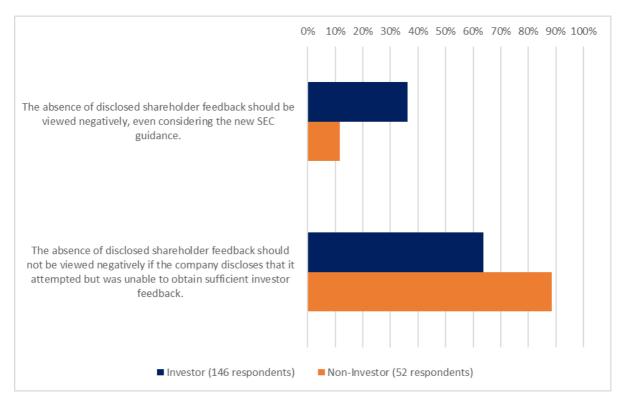
Q32. Shareholder engagement plays an important role in corporate governance, and it is a primary factor in ISS' U.S. say-on-pay responsiveness policy. When a company receives low say-on-pay vote support, ISS assesses proxy disclosure of shareholder engagement and feedback when evaluating a compensation committee's responsiveness. However, recent SEC guidance may deter some institutional investors from engaging with companies or providing feedback. Specifically, the SEC issued new guidance on when investors can file a short-form Schedule 13G as a passive investor rather than a long-form Schedule 13D for active investors. The new guidance states that engagement on executive compensation issues with the purpose of changing or influencing control may disallow an institutional investor to file as a passive investor and instead require the investor to file as an active investor, which comes with more onerous requirements. This update has already caused some institutional investors to halt or limit providing feedback on compensation issues. This in turn may make it more difficult for companies to determine and disclose shareholders' concerns that led to a low say-on-pay vote result.

If a company discloses that it was unable to obtain shareholder feedback after attempting to engage with investors, how should ISS view this in the context of say-on-pay responsiveness?

Responses	Investor (146 respondents)	Non-Investor (52 respondents)
The absence of disclosed shareholder feedback should be viewed negatively, even considering the new SEC guidance.	36.30%	11.54%
The absence of disclosed shareholder feedback should not be viewed negatively if the company discloses that it attempted but was unable to obtain sufficient investor feedback.	63.70%	88.46%

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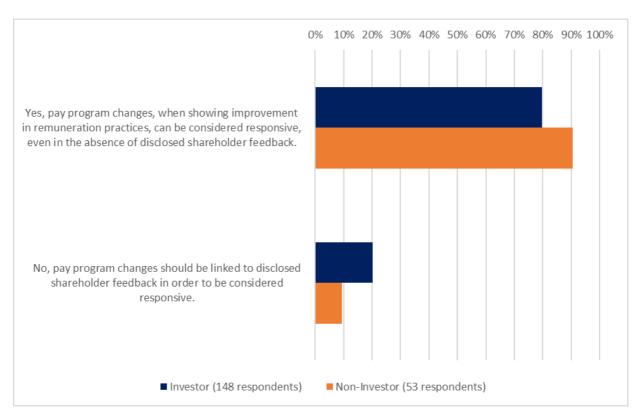


Q33. ISS' U.S. responsiveness policy also assesses whether pay program changes are linked to shareholders' feedback. However, in the absence of disclosed feedback, can pay program changes be considered responsive?

Responses	Investor (148 respondents)	Non-Investor (53 respondents)	
Yes, pay program changes, when showing improvement in remuneration practices, can be considered responsive, even in the absence of disclosed shareholder feedback.	79.73%		90.57%
No, pay program changes should be linked to disclosed shareholder feedback in order to be considered responsive.	20.27%		9.43%

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Modification or removal of ESG/DEI metrics for in-flight awards (U.S., Canada)

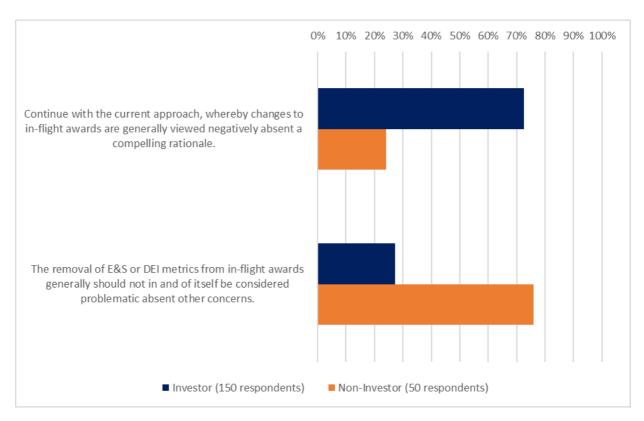
Q34. Some companies have already disclosed changes to their go-forward incentive pay programs to remove environmental & social (E&S) or diversity, equity & inclusion (DEI) metrics from the executive pay program, citing factors such as recent U.S. executive orders, the political climate, or other perceived risks associated with maintaining such metrics. A smaller number of companies have modified outstanding pay programs to remove such metrics from in-flight awards. ISS and many investors have historically viewed changes to in-flight awards negatively, unless a company has disclosed a compelling rationale for the action.

How should ISS assess the removal of E&S or DEI-related metrics from in-flight awards?

Responses	Investor (150 respondents)	Non-Investor (50 respondents)
Continue with the current approach, whereby changes to in-flight awards are generally viewed negatively absent a compelling		
rationale.	72.67%	24.00%
The removal of E&S or DEI metrics from in-flight awards generally should not in and of itself be considered problematic absent		
other concerns.	27.33%	76.00%

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Hybrid Equity Incentive Plans (U.K.)

Q36. Over recent years a number of U.K. companies have proposed 'hybrid equity plans' (i.e., plans that grant both time- and performance-based awards) under their remuneration policies, as part of a long-term executive incentive plan. While such plans have operated in the U.K. market below the board level, it is only recently that a sizeable minority of U.K.-listed companies have proposed them as part of their Executive Officer remuneration packages. Most of these companies have decided to incorporate time-based awards for executive awards without a significant discount in total remuneration opportunity (rather, they have often been proposed as part of an overall increase in pay opportunity).

The main rationale presented by the companies to explain this shift is the need to retain and recruit talent in an increasingly competitive global market, where companies (frequently operating in the U.S. market) offer pay opportunities that are significantly higher than those offered in the U.K., as well as executive remuneration structures that are considered less rigorous.

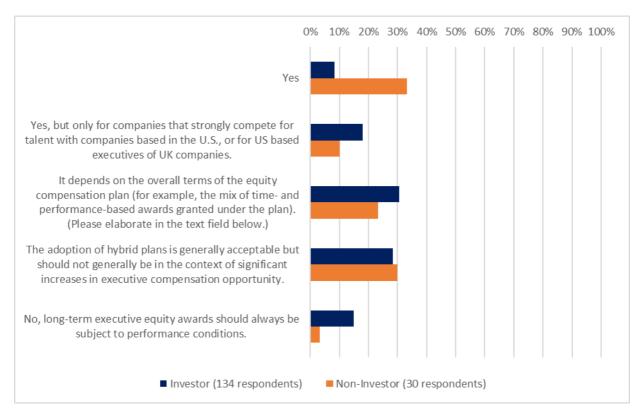
Considering this topic, does your organization consider it is acceptable for U.K. companies to adopt such hybrid plans as part of their long-term executive remuneration, even if associated with an overall increase in remuneration opportunity?

Responses	Investor (134 respondents)	Non-Investor (30 respondents)
Yes	8.21%	33.33%
Yes, but only for companies that strongly compete for talent with companies based in the U.S., or for U.Sbased executives of UK		
companies.	17.91%	10.00%
It depends on the overall terms of the equity compensation plan (for example, the mix of time- and performance-based awards granted		
under the plan).	30.60%	23.33%
The adoption of hybrid plans is generally acceptable but should not generally be in the context of significant increases in executive		
compensation opportunity.	28.36%	30.00%

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No, long-term executive equity awards should always be subject to		
performance conditions.	14.93%	3.33%



AI Governance and Risk Management (All Countries)

Q38. Artificial Intelligence (AI) is rapidly transforming the corporate landscape, presenting both significant opportunities and complex new risks. As this technology evolves, establishing robust governance and risk management practices is becoming increasingly crucial for many companies. In the 2025 proxy season, we observed increasing shareholder interest in how many companies are both addressing these challenges and seizing the potential of AI.

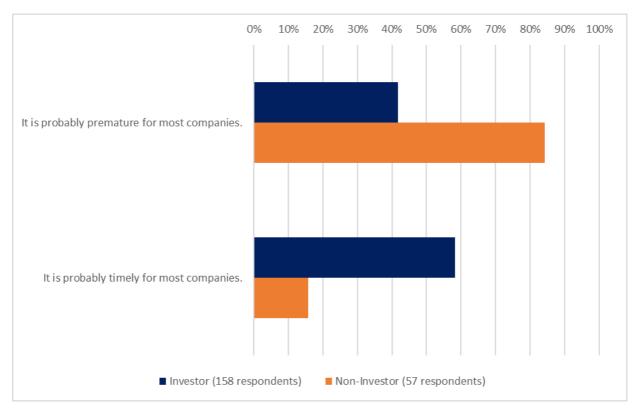
Al Governance Frameworks

Given the rapidly evolving AI technological, regulatory, and best-practice landscape, do you think expecting a company significantly using AI to use a global framework (for example, OECD AI Principles, NIST AI RMF, etc.) for assessing AI-related risks is appropriate at this time?

Responses	Investor (158 respondents)	Non-Investor (57 respondents)
It is probably premature for most companies.	41.77%	84.21%
It is probably timely for most companies.	58.23%	15.79%

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Q40. Al Board Oversight

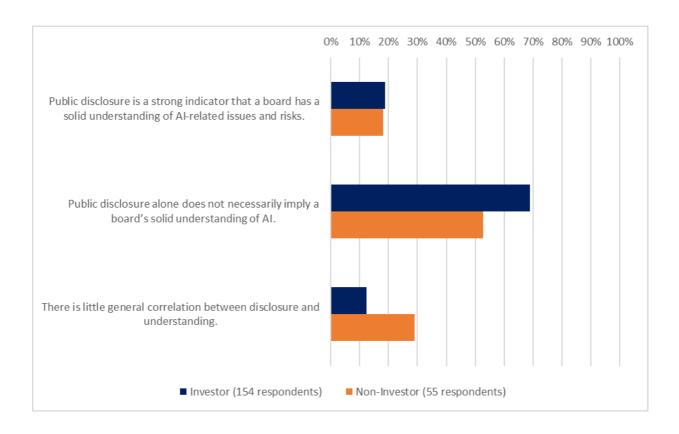
Should companies publicly share how their boards are overseeing AI business or AI implementation systems with the goal of managing Al-related risks?

Responses	Investor (155 respondents)	Non-Investor (55 respondents)
Only in cases where AI plays a significant role in the business or business strategy (where businesses already have or plan to		
implement significant AI use).	53.55%	72.73%
In all or most cases - companies/boards which do not consider it relevant can disclose and explain their rationale.	42.58%	12.73%
Other	3.87%	14.55%

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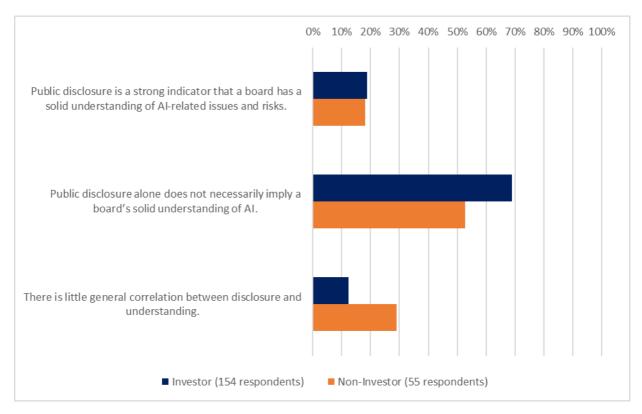


Q41. To what extent do you believe a board's public disclosure of its AI oversight measures indicates its depth of understanding of AI-related issues and risks?

Responses	Investor (154 respondents)	Non-Investor (55 respondents)
Public disclosure is a strong indicator that a board has a solid understanding of AI-related issues and risks.	18.83%	18.18%
Public disclosure alone does not necessarily imply a board's solid understanding of AI.	68.83%	52.73%
There is little general correlation between disclosure and understanding.	12.34%	29.09%

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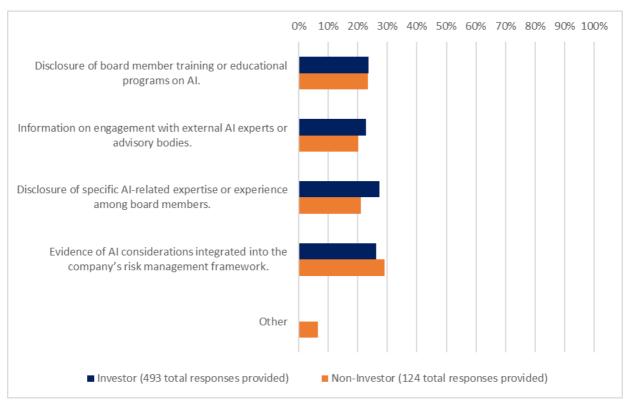


Q42. What type of information may be relevant for demonstrating that a board is adequately equipped to oversee Al-related risks and opportunities? (Select all relevant answers.)

Responses	Investor (153 respondents)	Non-Investor (52 respondents)
Disclosure of board member training or educational programs on Al.	23.73%	23.39%
Information on engagement with external AI experts or advisory bodies.	22.72%	20.16%
Disclosure of specific Al-related expertise or experience among board members.	27.38%	20.97%
Evidence of AI considerations integrated into the company's risk management framework.	26.17%	29.03%
Other	0.00%	6.45%
Total responses provided	493	124

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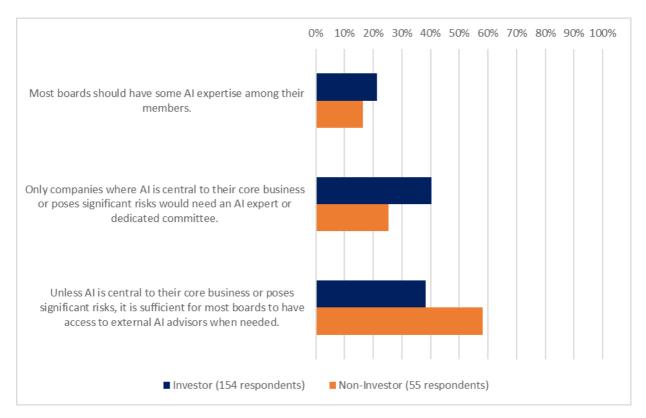
^{*}This question allowed for multiple selections. Percentages are based on the total number of responses provided by each group, not the total number of respondents.

Q43. Does every board need AI expertise or a dedicated committee to understand the company's AI-related risks and/or opportunities, or is it sufficient for most boards to have access to external experts when needed?

Responses	Investor (154 respondents)	Non-Investor (55 respondents)
Most boards should have some AI expertise among their members.	21.43%	16.36%
Only companies where AI is central to their core business or poses significant risks would need an AI expert or dedicated committee.	40.26%	25.45%
Unless AI is central to their core business or poses significant risks, it is sufficient for most boards to have access to external AI advisors when needed.	38.31%	58.18%

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Q44. The broader landscape of corporate risks now encompasses areas as diverse as biodiversity, cybersecurity, and human rights.

On a scale from 1 to 4 (1 being Not Important and 4 being Very Important), how important is it for companies to publicly disclose their identified risks specifically related to the following categories?

Biodiversity related risks:

Importance (from 1 to 4)	Investor (154 respondents)	Non-Investor (49 respondents)
1	8.44%	42.86%
2	13.64%	30.61%
3	24.03%	14.29%
4	53.90%	12.24%

Cybersecurity related risks:

Importance (from 1 to 4)	Investor (154 respondents)	Non-Investor (49 respondents)
1	1.95%	4.08%
2	1.95%	18.37%
3	16.88%	26.53%
4	79.22%	51.02%

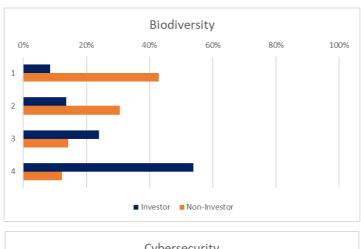
Human rights related risks:

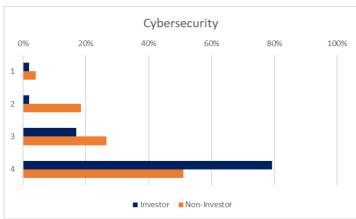
Importance (from 1 to 4)	Investor (153 respondents)	Non-Investor (49 respondents)
1	3.92%	18.37%
2	4.58%	30.61%

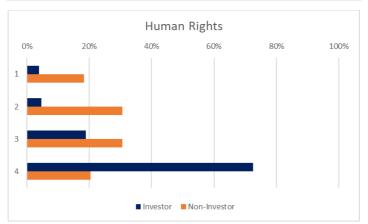
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3	18.95%	30.61%
4	72.55%	20.41%







Board diversity and DEI (U.S.)

How investors and companies approach diversity matters at U.S. companies has shifted recently, driven by factors including U.S. legal and regulatory developments and changing sentiments. In February 2025 ISS halted the application of its U.S. board diversity-based voting guidelines for ISS' proprietary U.S. Benchmark and Specialty policies. Specifically, for U.S. companies and shareholder meeting reports published on or after February 25, consideration of the gender, and racial and/or ethnic diversity of a company's board when making vote recommendations under those policies on the election or re-election of directors at U.S. companies was suspended. The relevant ISS research reports for U.S. companies continued to include data on board diversity factors (where available) for investor subscribers interested in that data. We understand that many investors remain interested in assessing board diversity and potentially in corporate DEI program-related

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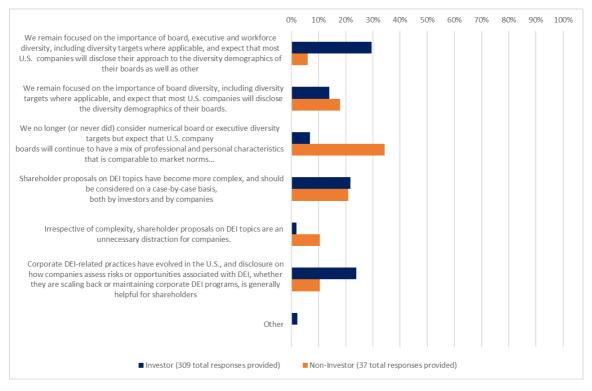
disclosures. Additionally, shareholder proposals related to DEI topics have evolved over recent years. ISS would like to get further insights into how institutional investors, companies (particularly U.S. companies), and other stakeholders are approaching these topics for U.S. companies.

Q45. Please select the answer or answers below that most closely reflect the views of your organization

Responses	Investor (155 respondents)	Non-Investor (46 respondents)
We remain focused on the importance of board, executive and workforce diversity, including diversity targets where applicable,		
and expect that most U.S. companies will disclose their approach		
to the diversity demographics of their boards as well as other DEI matters.	29.45%	5.97%
We remain focused on the importance of board diversity, including diversity targets where applicable, and expect that most U.S. companies will disclose the diversity demographics of their		
boards.	13.92%	17.91%
We no longer (or never did) consider numerical board or		
executive diversity targets but expect that U.S. company		
boards will continue to have a mix of professional and personal characteristics that is comparable to market norms		
and to each company's business needs.	6.80%	34.33%
Shareholder proposals on DEI topics have become more complex,		
and should be considered on a case-by-case basis, both by investors and by companies.	21.68%	20.90%
Irrespective of complexity, shareholder proposals on DEI topics		
are an unnecessary distraction for companies.	1.94%	10.45%
Corporate DEI-related practices have evolved in the U.S., and		
disclosure on how companies assess risks or opportunities associated with DEI, whether they are scaling back or maintaining		
corporate DEI programs, is generally helpful for shareholders	23.95%	10.45%
Other	2.27%	0.00%
Total responses provided	309	67

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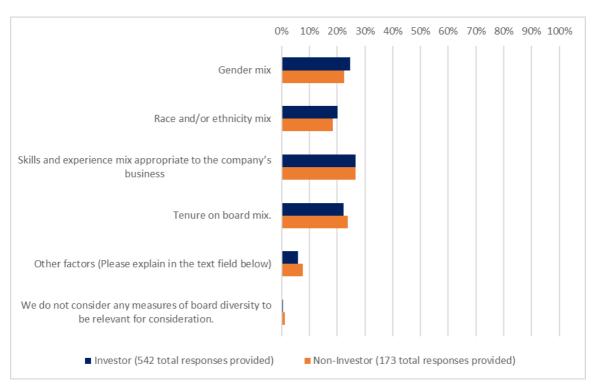
^{*}This question allowed for multiple selections. Percentages are based on the total number of responses provided by each group, not the total number of respondents.

Q46. Diversity may encompass many different factors. Thinking about board diversity in particular, please select the factor or factors below that your organization considers relevant in considering or assessing the diversity of a board:

Responses	Investor (155 respondents)	Non-Investor (51 respondents)
Gender mix	24.72%	22.54%
Race and/or ethnicity mix	20.11%	18.50%
Skills and experience mix appropriate to the company's business	26.57%	26.59%
Tenure on board mix.	22.32%	23.70%
Other factors	5.90%	7.51%
We do not consider any measures of board diversity to be relevant for consideration.	0.37%	1.16%
Total responses provided	542	173

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^{*}This question allowed for multiple selections. Percentages are based on the total number of responses provided by each group, not the total number of respondents.

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