



United Kingdom



GLASS LEWIS

Proxy Season 2022 Briefing

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Key Trends and Data Highlights

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## About this Briefing

This briefing sets out our initial observations of the 2022 proxy season, covering FTSE 350 companies trading in the United Kingdom with an annual meeting date between January 1<sup>st</sup> and July 31<sup>st</sup>, 2022.

Charts and analyses are drawn from the hundreds of [ESG](#), board and compensation datapoints that Glass Lewis collects in the process of reviewing proxy statements and public filings. This library of data, stretching back years, informs Glass Lewis' voting guidelines and understanding of key trends and market practices, and is available for use in [custom voting policies](#) and bespoke research. [Contact Glass Lewis](#) for more information.

Our complete Proxy Season Review for the UK, including full highlights, notable meetings, and additional data, will be available to Glass Lewis clients later in Q3.

## About Glass Lewis

Glass Lewis is the world's choice for governance solutions. We enable institutional investors and publicly listed companies to make sustainable decisions based on research and data. We cover 30,000+ meetings each year, across approximately 100 global markets. Our team has been providing in-depth analysis of companies since 2003, relying solely on publicly available information to inform its policies, research, and voting recommendations.

Our customers include the majority of the world's largest pension plans, mutual funds, and asset managers, collectively managing over \$40 trillion in assets. We have teams located across the United States, Europe, and Asia-Pacific giving us global reach with a local perspective on the important governance issues.

Investors around the world depend on Glass Lewis' [Viewpoint](#) platform to manage their proxy voting, policy implementation, recordkeeping, and reporting. Our industry leading [Proxy Paper](#) product provides comprehensive environmental, social, and governance research and voting recommendations weeks ahead of voting deadlines. Public companies can also use our innovative [Report Feedback Statement](#) to deliver their opinion on our proxy research directly to the voting decision makers at every investor client in time for voting decisions to be made or changed.

The research team engages extensively with public companies, investors, regulators, and other industry stakeholders to gain relevant context into the realities surrounding companies, sectors, and the market in general. This enables us to provide the most comprehensive and pragmatic insights to our customers.

### Join the Conversation

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# Key Trends

## Diversity performance and reporting remain on an upward trajectory

- Nearly all FTSE 100 companies (94.25%) have achieved the Parker Review target of at least one ethnic minority on the board.
- The FTSE 100 and 250 both, on average, continue to meet the Hampton-Alexander targets with the FTSE Women Leaders Review targets in sight. Despite high average performance, there continues to be laggards with Glass Lewis recommending against five FTSE 350 board chairs on gender diversity so far this year.

## Executive remuneration: more use of non-financial metrics – and more pay

- The impact of the COVID pandemic on executive remuneration is beginning to wane with remuneration outcomes growing and some companies increasing total opportunity.
- We observed a significant uptick in the use of environmental and social (E&S) metrics under both short- and long-term incentive plans, particularly amongst FTSE 250 companies.

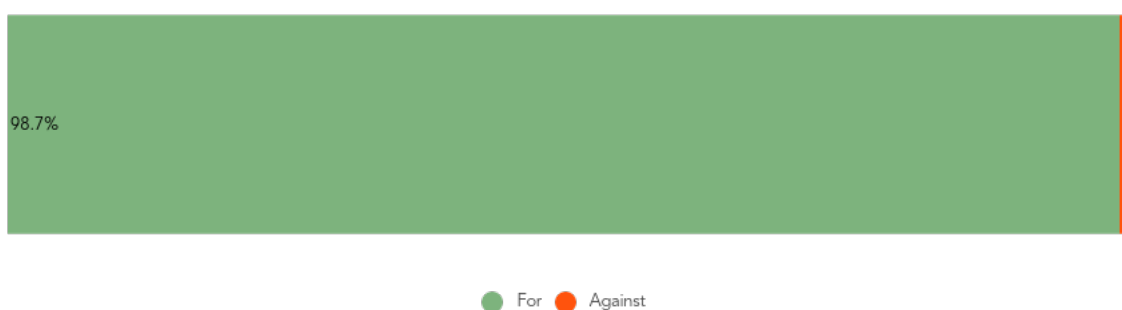
## Public companies get proactive on E&S reporting and proposals

- Enhanced disclosure on the governance frameworks companies utilise in monitoring E&S risk and opportunities.
- The number of companies that offered management-sponsored say-on-climate proposals doubled to 16 (2021: 8).

# Data Highlights

## Glass Lewis Voting Recommendations & Most Common Concerns

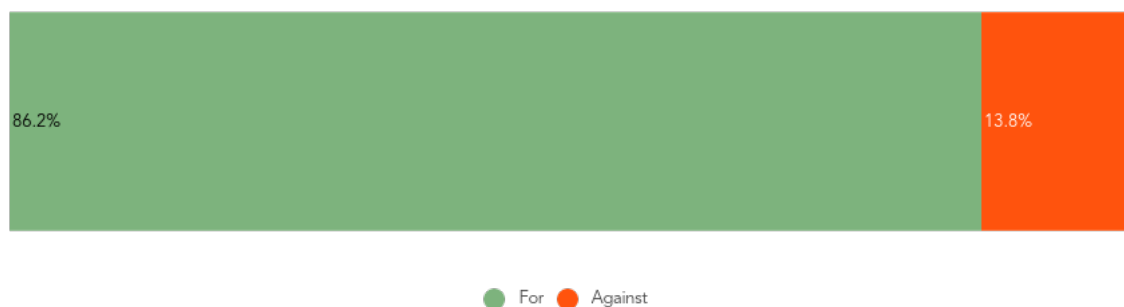
### Board of Directors - Voting Recommendations



### Board of Directors - Common Concerns

Major Concerns Identified by Glass Lewis	Instances
Insufficient response to shareholder dissent	8
Poor remuneration practices	8
Poor chair succession planning	6
Insufficient board gender diversity	5
Other unique issue	3
Insufficient board level oversight of environmental and social issues	2
Ongoing Investigations	2
Potential overcommitment	2
Affiliate/Insider on audit committee	1
No Triennial External Board Evaluation	1
Related party transactions	1

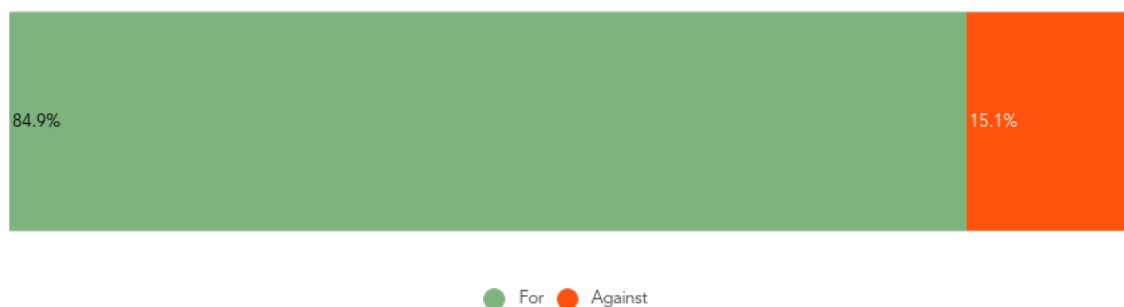
## Remuneration Report - Voting Recommendations



## Remuneration Report - Common Concerns

Major Concerns Identified by Glass Lewis	Instances
Pay-for-performance disconnect in light of COVID-19	9
Insufficient response to shareholder dissent	8
Significant increase in fixed pay	7
COVID-19 related adjustments	4
Potential for excessive payouts	1
Lowering of LTI performance conditions	1

## Remuneration Policies - Voting Recommendations

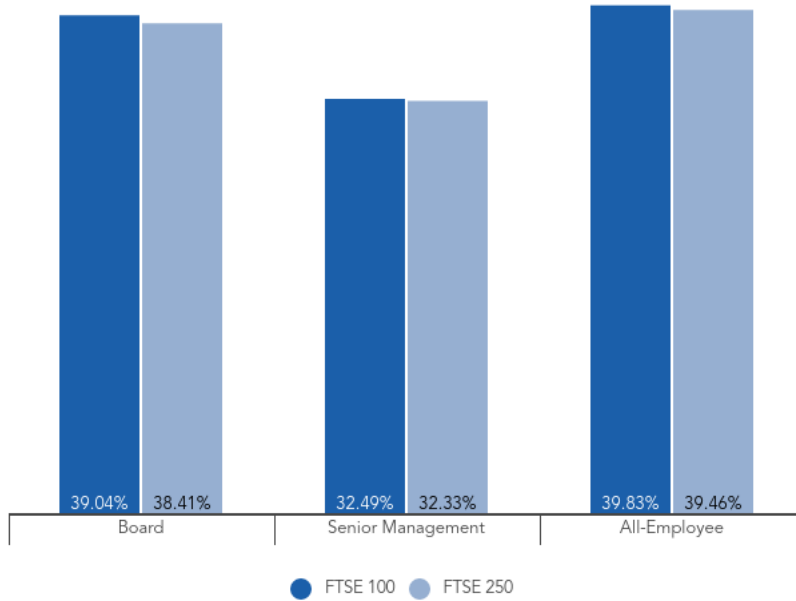


## Remuneration Policies - Common Concerns

Major Concerns Identified by Glass Lewis	Instances
Potential for excessive payouts	4
Increase in opportunity	3
Pension contributions	2
Change of control provision	1
Insufficient response to shareholder dissent	1
Introduction of RSP absent a compelling rationale	1
Potential for disapplication of pro-rating under LTIP	1

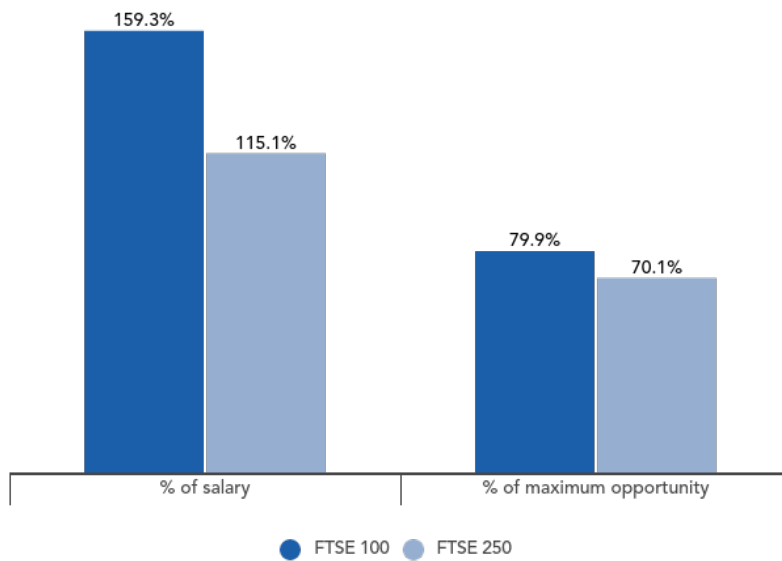
## Proxy Statistics

### Average Proportion of Gender Diverse Directors



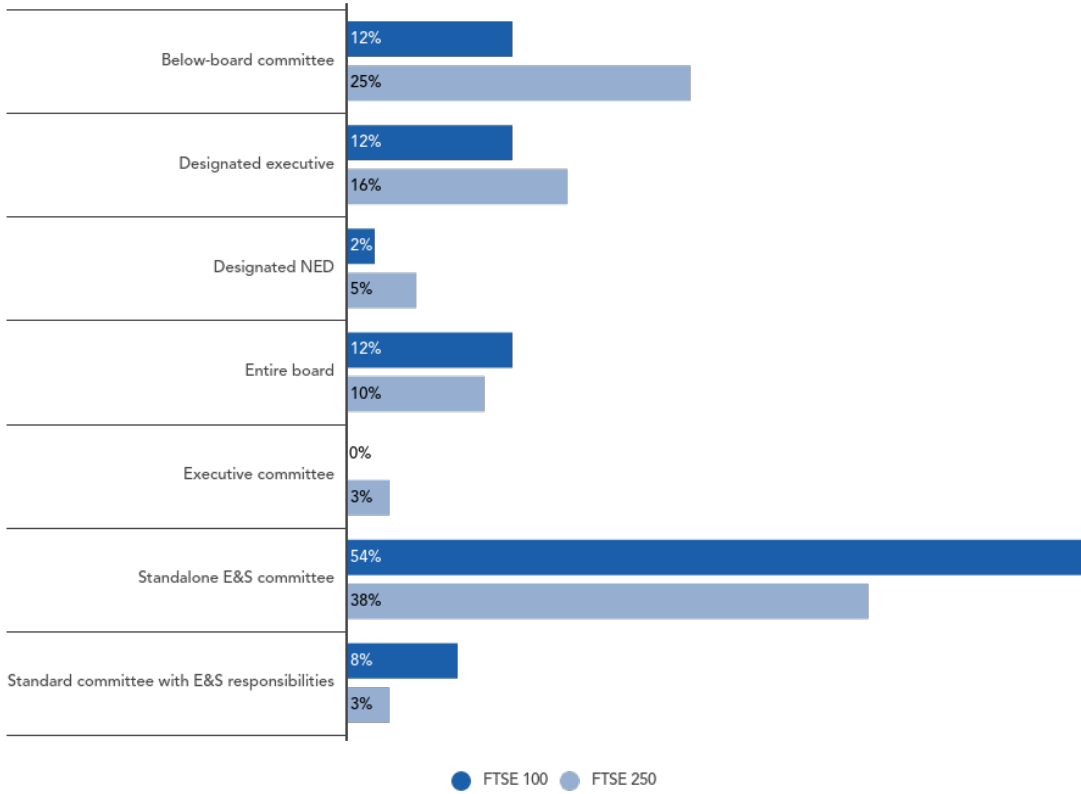
*Includes women, and directors that identify with a gender other than male or female*

### Average Bonus Payouts

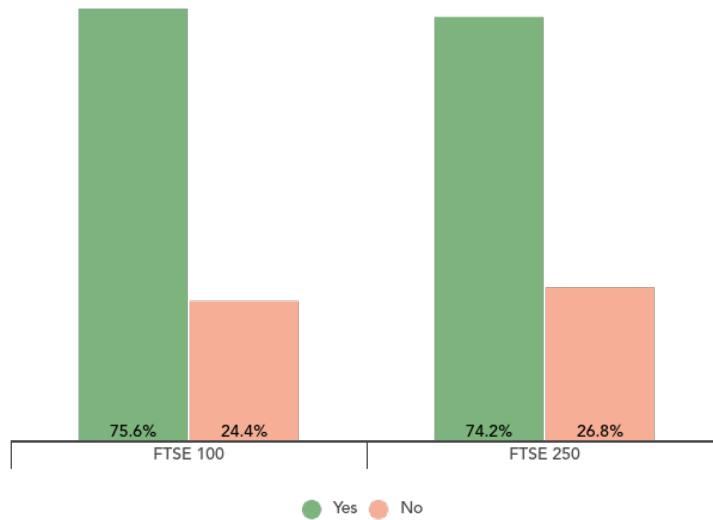




### E&S Oversight Framework



### E&S Metrics in Remuneration



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