

ISS Developments UK & Europe: 2024 Policy Survey Results

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03 Introduction

04 Executive Summary

07 ISS Global Benchmark Survey Results: Corporate Governance (Continental Europe)

11 ISS Global Benchmark Survey Results: Environmental and Social

Introduction

On 10 October, ISS published the main findings on its 2024 Global Benchmark Policy Survey: [Annual Global Policy Survey – Summary of Results](#).

The Annual Global Policy Survey is a part of ISS’s annual global policy development process and is open to all interested parties to solicit broad feedback on areas of potential ISS policy change for 2025 and beyond. Period for feedback was open from 1 August – 5 September.

Out of the 9 questions asked, 3 were relevant to Continental Europe and 3 were related to Environmental and Social issues, specifically Climate Change and Workforce Diversity.

Please note that this memo does not cover the US-focused questions related to the adoption of Poison Pills and US Executive Compensation practices.

Overview of next steps

In November, ISS will release key draft policy updates and open a public comment period for all interested market participants on proposed changes to its voting policies for next year. The new policy updates will be announced in late November and the process will be completed in December with the publication of the final policies applicable to shareholder meetings to be held from February 2025 onwards.

Survey Results

10 October 2024

**Publication of Draft
Policy Updates &
comment period**
November 2024

**Publication of final Policy
for 2025**
December 2024

Executive Summary

Corporate Governance Questions: Virtual Meetings, Auditor Rotation, and General Share Issuances

The Survey received 325 responses: **199 responses from investors** and investor-affiliated organizations, and 126 from non-investor respondents. This slide summarizes investor sentiment on the Corporate Governance key issues that may impact the 2025 voting policy for the UK & Continental Europe.

Virtual Meetings



When assessing the views relating to virtual-only meetings, **investor responses** generally stated that the **experience has been "mixed**, depending on company practice...", which **was selected by 29%** of the investors responding to this question, and **"somewhat negative"**, which **was selected by another 25%** of investor respondents.

Auditor Rotation



There was **near consensus** that ISS should consider the introduction of an auditor rotation policy for companies that are **not subject to mandatory auditor rotation rules** under EU legislation, with more than **70% of investor respondents answering "yes"**, that EU rules regarding auditor rotation could benefit shareholders in all European countries.

Share Issuances (France Only)

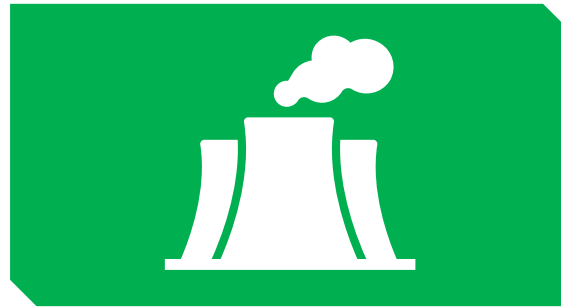


In light of recent **changes in French law** (June 2024), which **removed the maximum discount limit** (10%) for the main **issuance of shares** without pre-emptive rights, **investor respondents were generally in favour of maintaining the existing ISS policy framework** of a maximum of 10% discount in the event of such issuances, which received **support from 58%** of investors' responses.

Environmental and Social Questions: Scope 3 Emissions, Climate Shareholder Proposals and Workforce Diversity

The Survey received 325 responses: **199 responses from investors** and investor-affiliated organizations, and 126 from non-investor respondents. This slide summarizes investor sentiment on the Environmental and Social key issues that may impact the 2025 voting policy for the UK & Continental Europe.

Scope 3



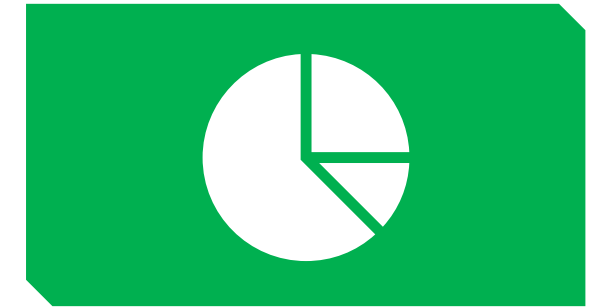
The **responses reflected the differing views on the topic** with investors primarily favouring the disclosure of targets for companies' scope 3 emissions reduction, with **support of approximately 48%** of the respondents. **88% of those supporters** stated targets should be **both mid-term and net zero.**

Climate Shareholder Proposal



33% of investor respondents stated they "**do not view such requests as overly burdensome** and [...] **tend to support them if shortcomings are identified**", another 15% of the responses to this question stated that they would be "**less likely to support**" shareholder proposals when "the **technology necessary** to achieve full value chain net-zero goals is **not yet cost competitive.**"

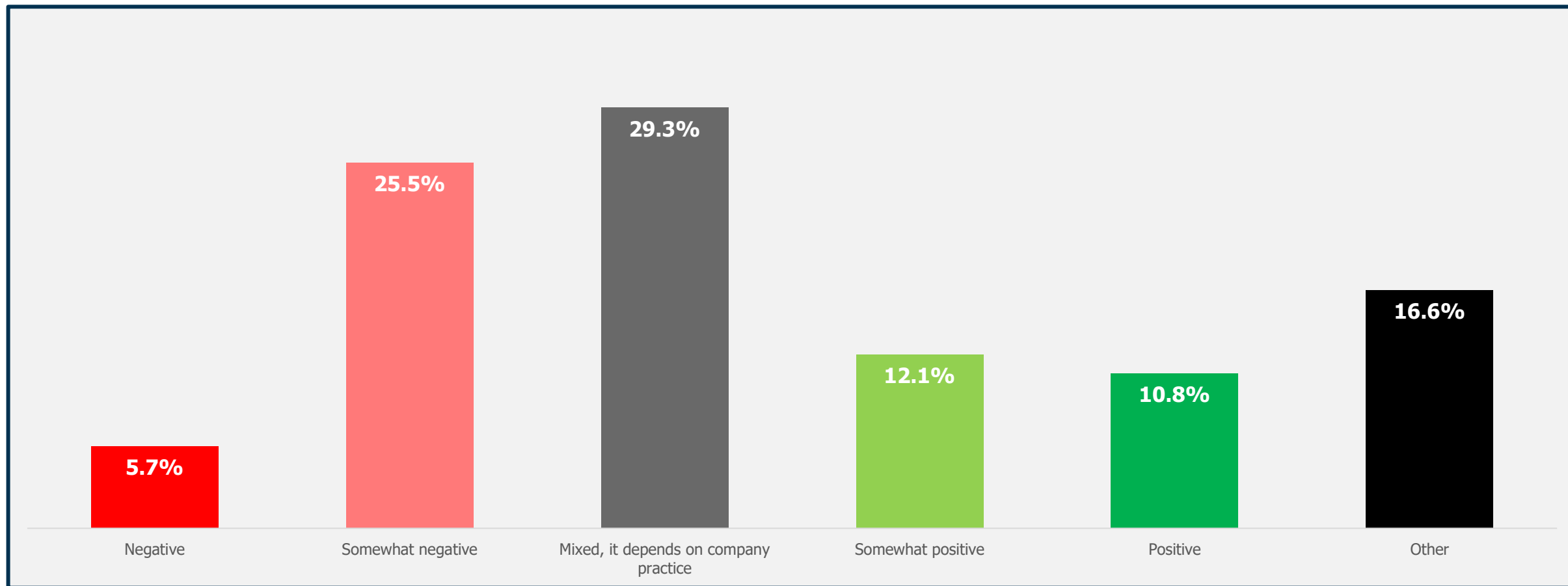
Workforce Diversity



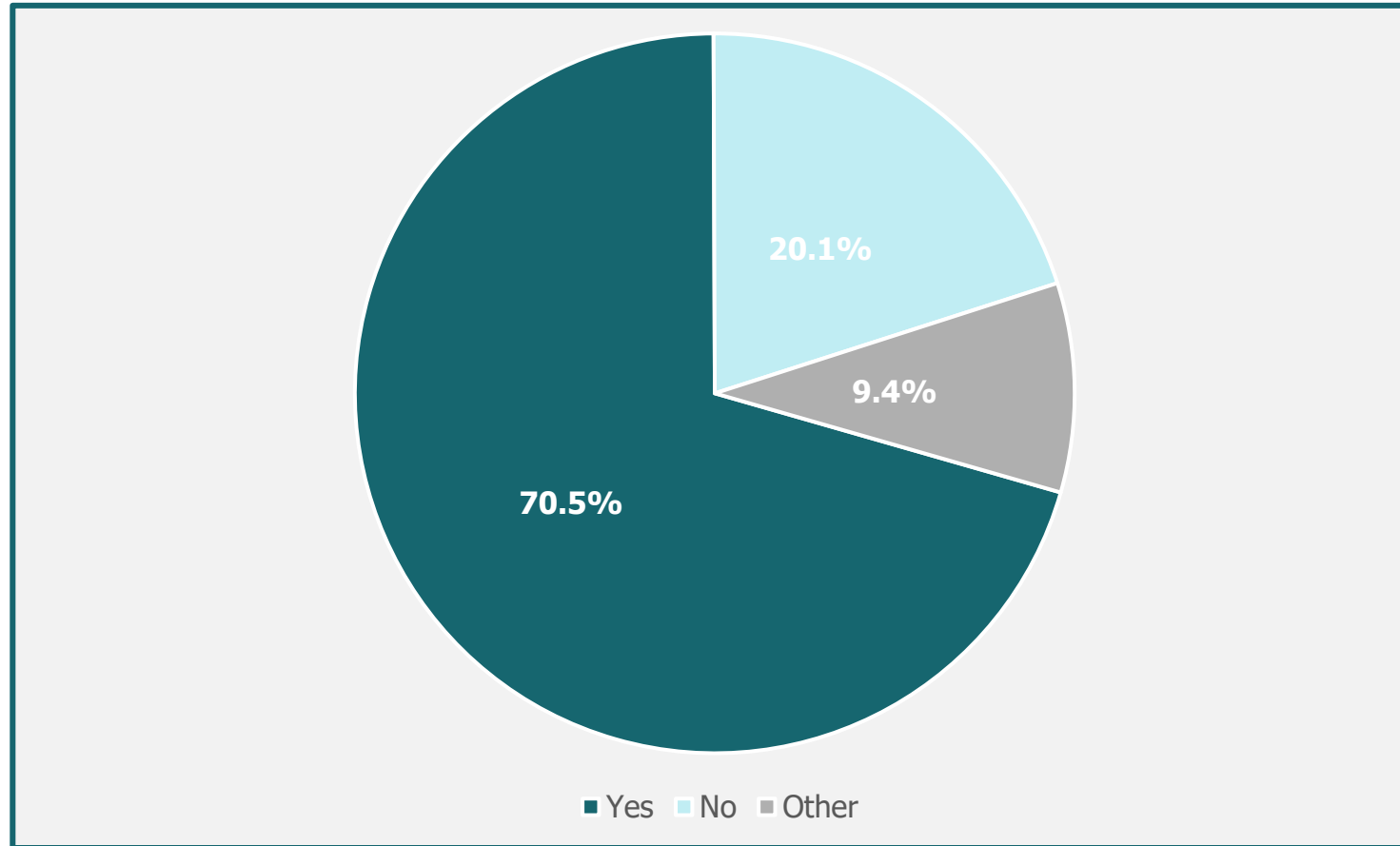
The policy survey explored views on **metrics and existing disclosure practices** on workforce diversity, and which are considered the most relevant ones for the analysis of shareholder proposals related to human capital management. **Support for the three most popular metrics were generally low** with only 22% of investors supporting the most popular metric.

ISS Global Benchmark Survey Results: Corporate Governance (Continental Europe)

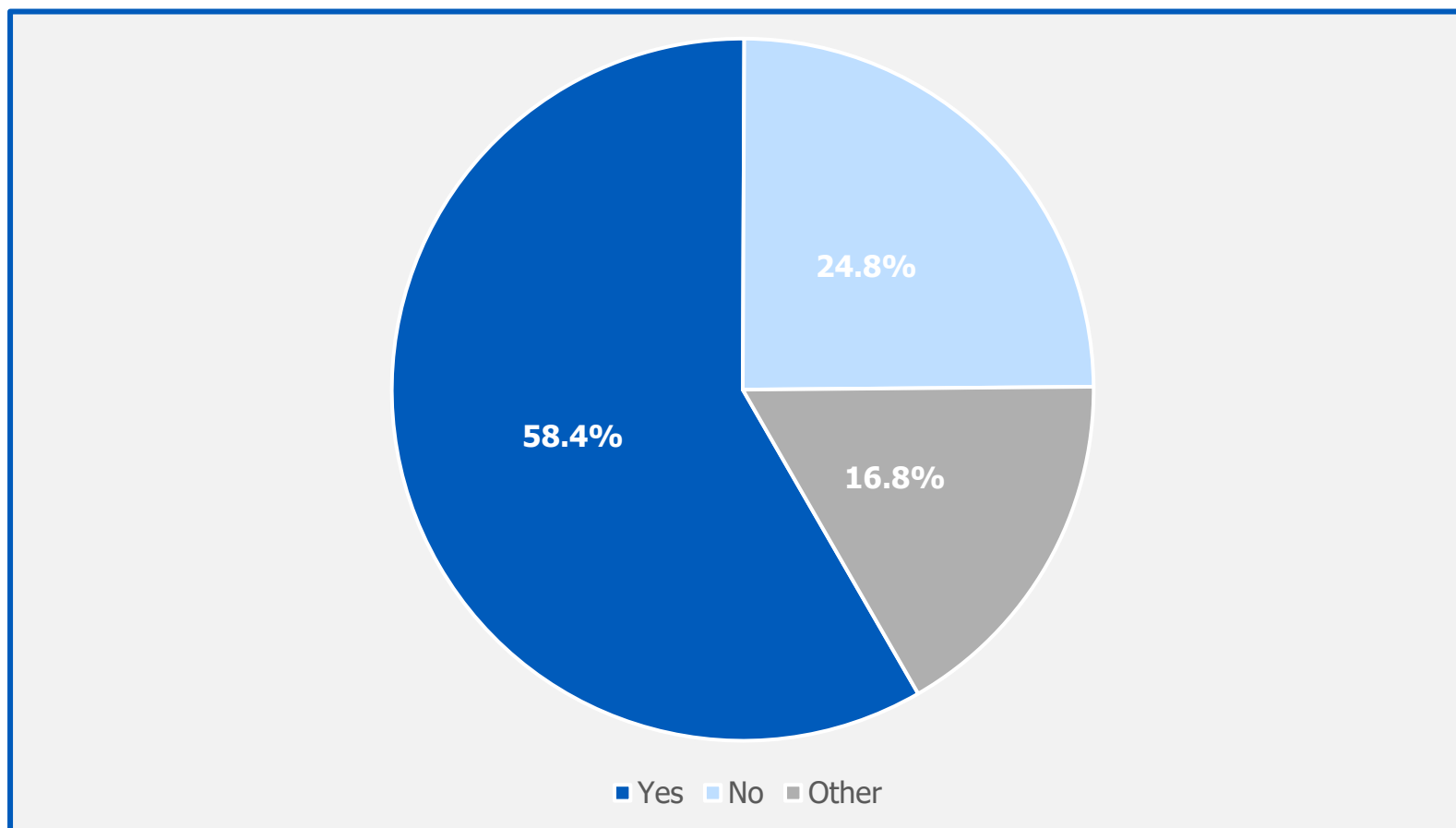
Virtual Meetings: Based on your experience with virtual-only meetings since they have been allowed and implemented in Continental Europe, what is your organization's current view of virtual-only meetings?



Auditor Rotation: Should ISS consider the introduction of an auditor rotation policy for companies that are not subject to these EU rules?

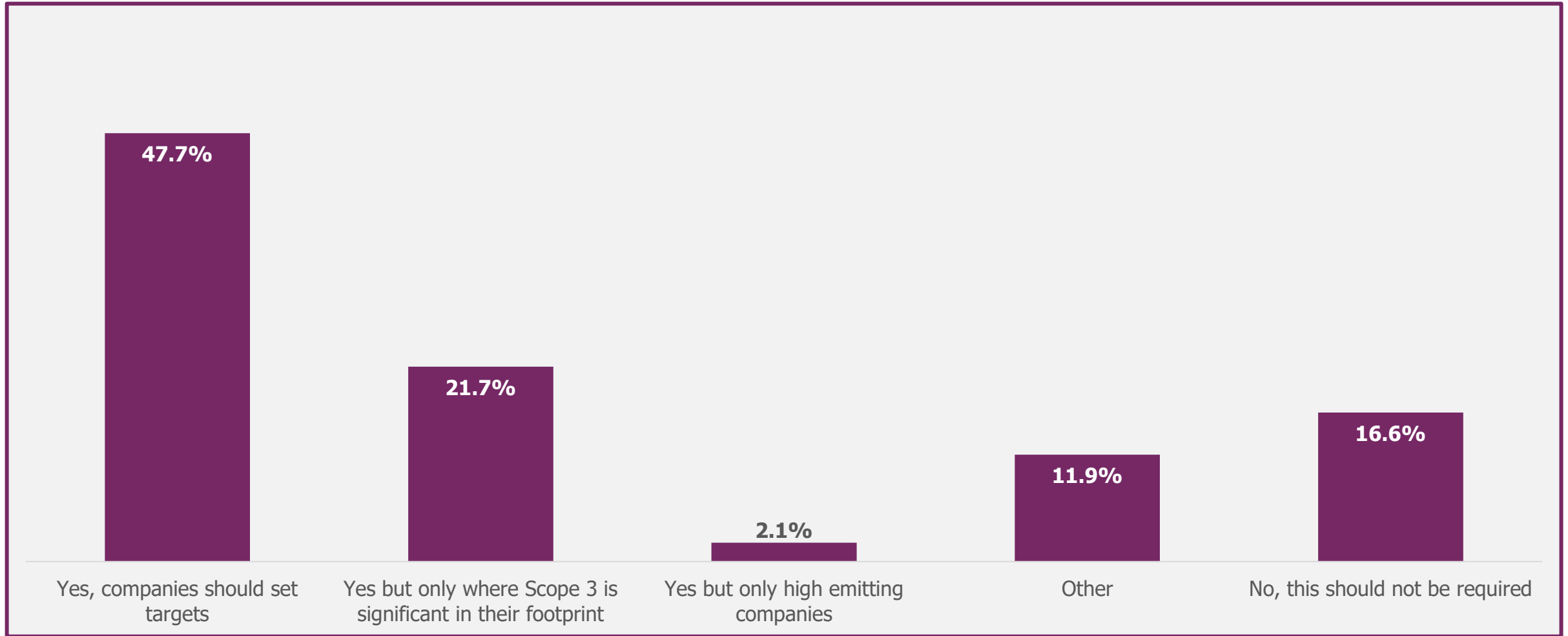


Share Issuances (France): Do you believe it is appropriate for ISS policy to maintain a maximum limit (10%) for French companies on the possible discount for issuances without pre-emptive rights?

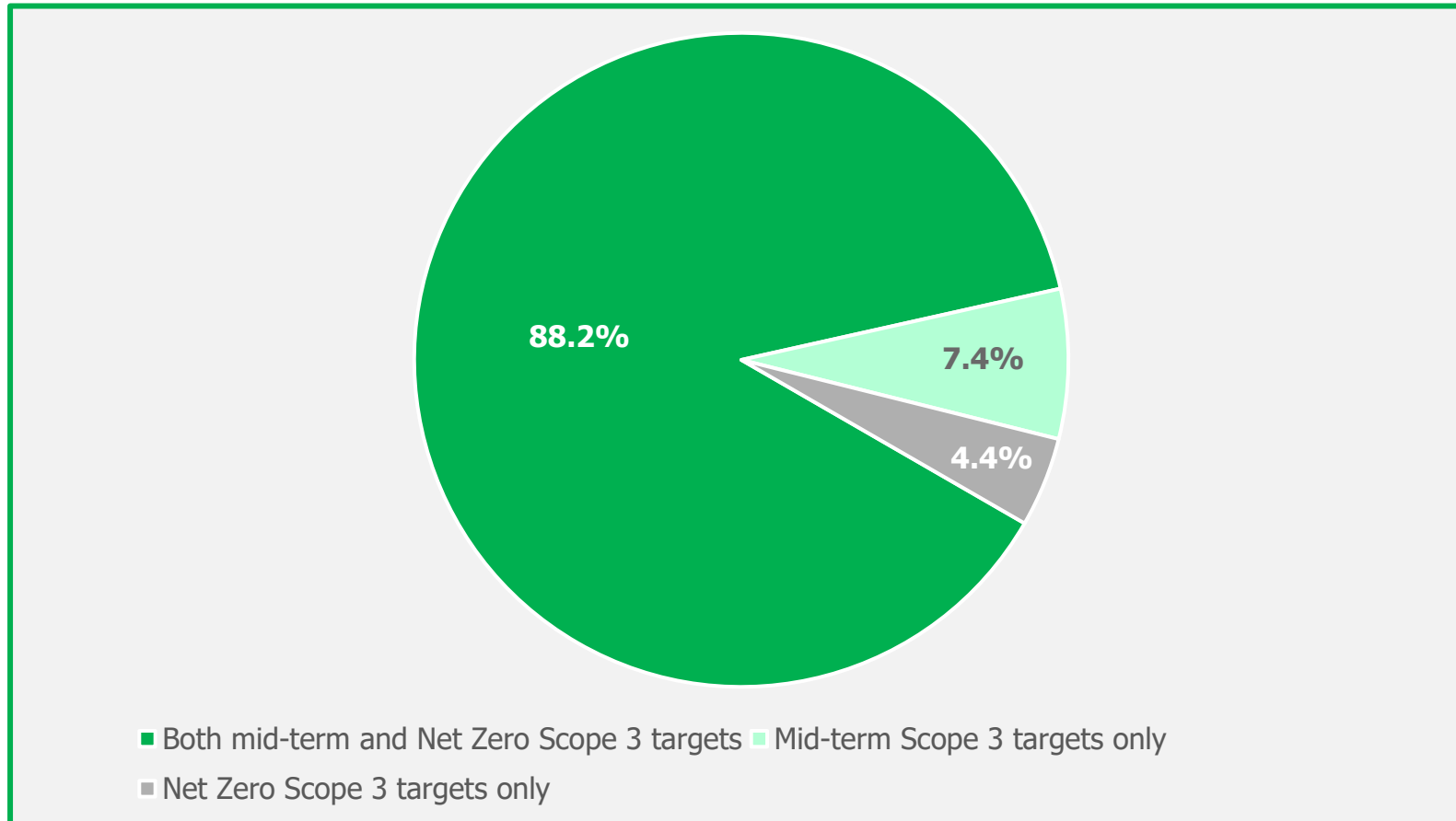


ISS Global Benchmark Survey Results: Environmental and Social

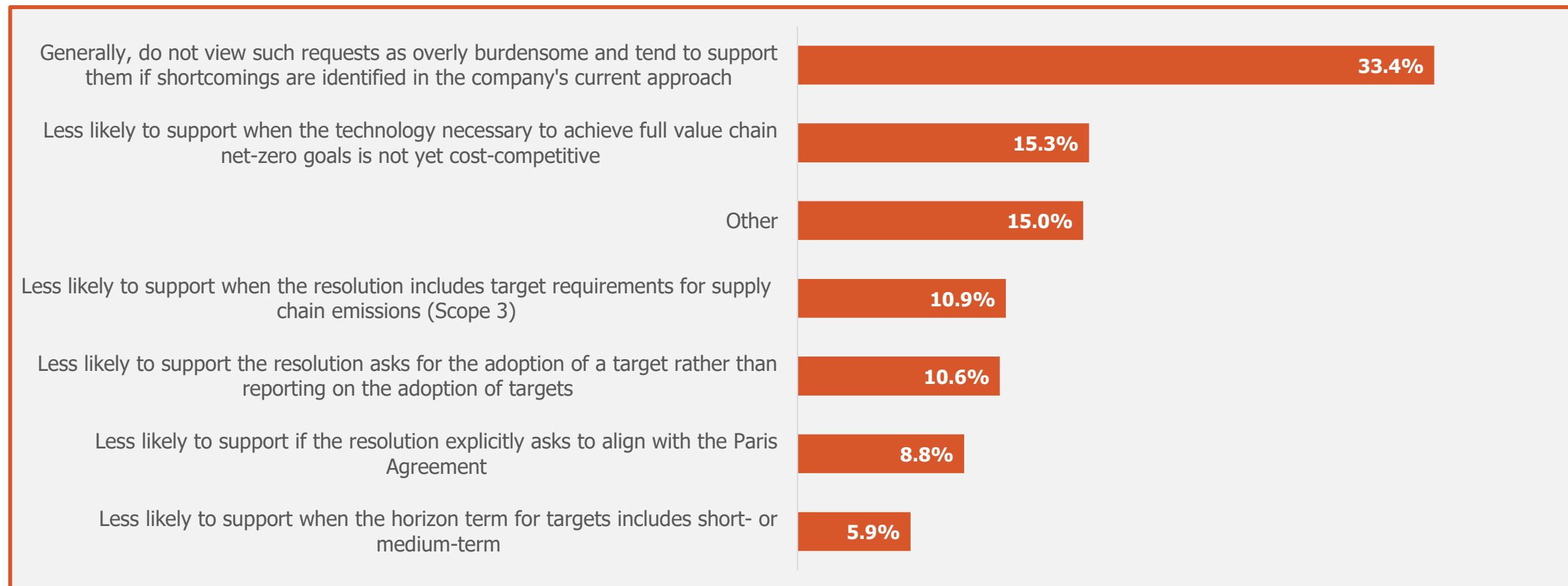
Scope 3 Emissions: As a stakeholder, does your organization believe that Scope 3 GHG emission reduction targets should be disclosed?



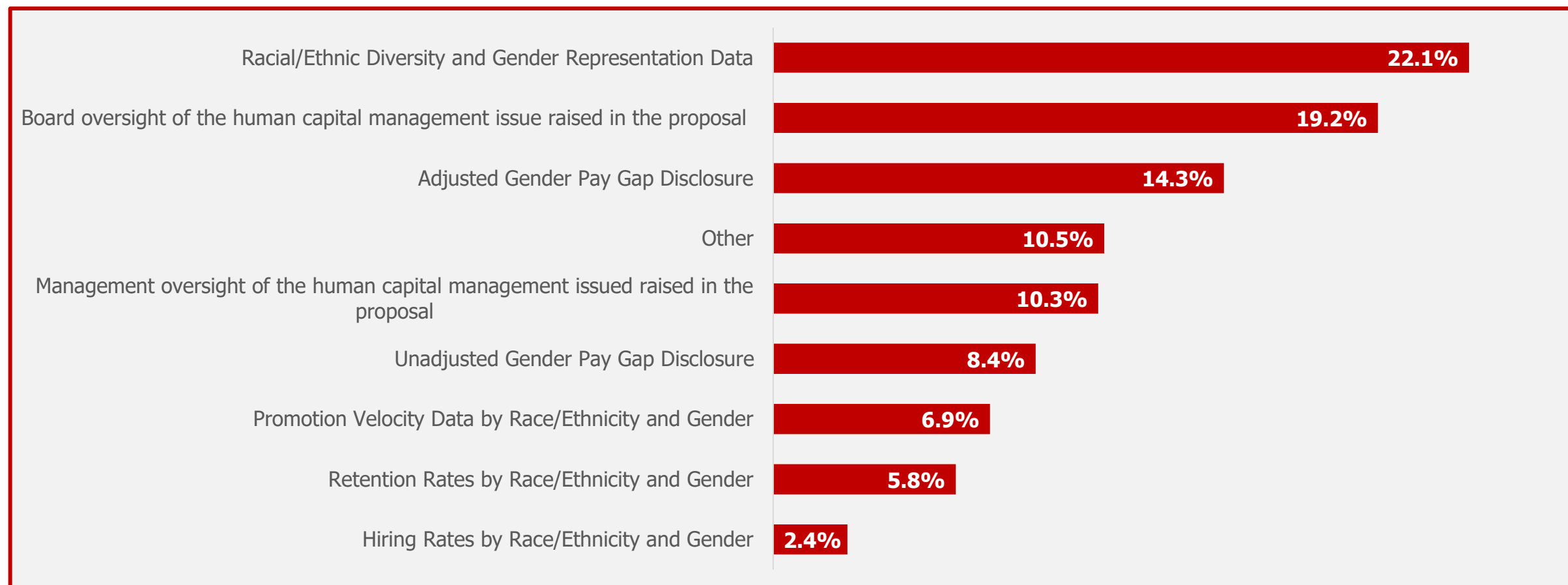
Scope 3 Emissions: If your answer to the previous question is one of the options that starts with "Yes", does your organization believe that those targets should be:



Climate-related Shareholder Proposal: Which - if any - of these factors would your organization consider most relevant when addressing proposals asking for a report on or to take climate-related actions.



Workforce Diversity: Which - if any - of the following human capital management metrics or disclosure topics do you consider that investors should support, if requested in a shareholder proposal?



89 years
of experience
has brought
us here.

122 Employees

Awards

#1 Global Proxy Solicitor Advisor on activist side: Bloomberg Activism League Tables FY2024

#1 Proxy Solicitation Advisor globally in Average Market Cap: Activist Insight Advisor Awards 2020

Diverse ESG experts

Including legal, investor stewardship, proxy advisor firms, equity analysts, ESG analysts and corporate secretariat.

Relationships

Cultivating and maintaining long term relationships with institutions, hedge funds and key industry players.

10 Offices covering 26 Countries

Offices in all major financial centres, gives our clients unique access to worldwide expertise.

Computershare (ASX CPU)

Infrastructure and InfoSec backing of a £7B listed entity.



London

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London, United Kingdom, EC2Y
5ET

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