

Comments on ISS proposed benchmark policy changes for 2025

7) General Environmental Proposals and Community Impact Assessments. Pushes companies to use environmental disclosure policies based on a broadly used reporting framework. To be clear, the policy should not mandate the use of any framework, but rather alignment with a framework based on ISS' judgement should be sufficient. Frameworks are helpful for standardization of reporting but can be costly to implement and more restrictive, and we'd prefer to let management make that judgement.

8) Executive Compensation – Performance- vs. time-based equity awards. Our preference is for focus to remain on encouraging a well-designed, clearly disclosed performance-based equity program with vesting/holding periods, clawback provisions, and taking award magnitude into consideration as well. However, we do think that time-based equity awards should not always be seen as secondary to performance-based. Situations require context (including the degree of quantitative misalignment; some programs are misaligned quantitatively but aligned directionally while others are misaligned directionally and these should not be treated the same). In both performance- and time-based compensation schemes, emphasis should be on transparency, rigor, and alignment with shareholder goals. Lack of transparency/high degree of complexity of performance-based schemes is what typically makes time-based schemes appear more preferable, so addressing this weakness rather than a establishing a favorite of one scheme over the other in all situations would be ideal.

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