

ESG MEASURES HERE TO STAY IN EXECUTIVE INCENTIVES, SOUTHLEA'S GLOBAL RESEARCH FINDS

Linking executive pay to stakeholder/ESG incentives is here to stay.

TORONTO, ONTARIO, CANADA, November 24, 2022 /EINPresswire.com/ -- For environmental, social, and governance (ESG) measures, it's been a year of ups and downs. Pushback against ESG by detractors has been countered around the globe by stakeholders—including investors and regulators—committed to understanding the relationship between corporate ESG initiatives and actual CEO performance. For a sixth consecutive year, The Global Governance and Executive Compensation Group ([GECN](#)) analyzed the executive compensation practices of 500+ of the world's largest companies including the S&P/TSX 60 in Canada. In its just-released report, 2023 Global Trends in Stakeholder Incentives: The Staying Power of ESG, [Southlea](#) documents a now three-year worldwide trend for the largest corporations to incorporate stakeholder metrics into executive compensation.

Southlea's conclusion: Linking executive pay to stakeholder incentives is here to stay. For boards of companies, the research provides important insights into how corporate pay is being aligned with stakeholder metrics to better assess management performance and accountability.

On an overall basis:

- Context - Investor and issuer priorities are evolving with longer-term perspectives and with greater consideration of stakeholders.
- Current State - Issuers continue to focus on and refine their ESG measures in executive incentives for either "value," "values," or a bet each way.
- Predictions - Companies will continue to move toward better defined and articulated alignment between stakeholder and shareholder value. That is, the focus on "value" will overcome a focus on "values."

Other key takeaways from this year's research include:

- More than three-fourths of large companies and 60% of large Canadian companies now incorporate stakeholder measures into their incentive plans
- This global prevalence is up by 5 percentage points compared to 2021 and 14 percentage points compared to 2020
- Differences between regions are reflective of each region's industrial base, cultural norms, and local regulations. However, all regions but Canada are moving in the same direction—up

- Europe, the U.K., Australia, and South Africa lead the market with over 80% of large companies incorporating stakeholder measures into their incentive plans

[Download the full report](#)

ABOUT US

Southlea Group (www.southlea.com) is a national independent compensation advisory firm that provides global perspectives as a GECN Group company (www.gecn.com). We are headquartered in Toronto, with clients across Canada, representing all industries and organization structures. Our team of advisors is multi-disciplined with diverse backgrounds and experiences. We are proud to be a certified Women's Business Enterprise by WBE Canada and to be Rainbow Registered as an LGBT+ friendly organization.

ABOUT THE GLOBAL GOVERNANCE AND EXECUTIVE COMPENSATION GROUP (GECN)

The GECN (www.gecn.com) is a group of premier independent advisory firms specializing in the type of complex compensation and governance challenges that companies and other institutions increasingly face today, both globally and in their respective markets. The GECN serves clients on all continents. Its locations include New York, Louisville, Dallas, and Los Angeles in the U.S.; Toronto in Canada; London in the UK, Zurich, Geneva and Kyiv in Europe; Singapore in Asia; Melbourne and Sydney in Australia; and Johannesburg, Cape Town and Port Elizabeth in Africa.

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