



Remuneration: ESG across levels

Flash survey results







Context:

The remuneration of Executives and Senior Managers/Managers is increasingly linked to ESG.

For this reason, we conducted this flash survey on the **integration of ESG criteria** into Annual Bonus and LTI of eligible population. We solicited a panel of 20 companies that we would like to thank for their participation.

This report will address the following topics:

-  How criteria are articulated between eligible population (CEO, ExCom, Senior Management and Management)
-  Type of measures (and sub-measures) used in the incentive's programs
-  Weight applied for ESG measures as well as the differences between the different levels.
-  Applicable scope to calculate these measures



Key findings

Annual Bonus (STI) – ESG Market Practices at a Glance



100%

Of CAC 40 CEOs have a ESG measure.



82%

Of companies apply ESG indicators to all eligible population.

71% among these companies use different ESG indicators/objectives across levels, population, BU/Country/Division...



80%

Of companies adapt the ESG performance measurement to the scope of responsibility (e.g. country, business unit...).



75%

Of companies apply different ESG weighting to the different populations (CEO, ExCom, Senior Management and/or Management).



20%

Is the typical weighting for ESG indicators.

LTIP – ESG Market Practices at a Glance



89%

Of CAC 40 CEOs have a ESG measure.



94%

Of companies apply ESG indicators to all eligible population.

100% apply the same ESG indicators to all eligible population.



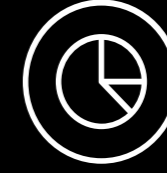
100%

Of companies measure ESG performance at a Group level.



100%

Of companies apply same ESG weighting between the different population.



25%

Is the typical weighting for ESG indicators.



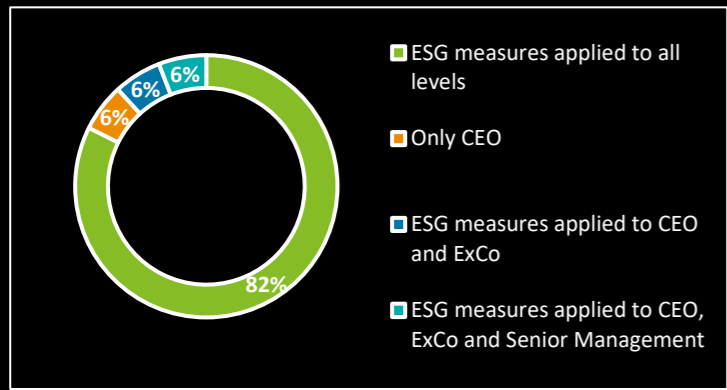
Annual Bonus Focus

ESG Measures Across Levels

Annual Bonus Focus

How are criteria articulated between eligible population (CEO, ExCom, Senior Management and Management) ?

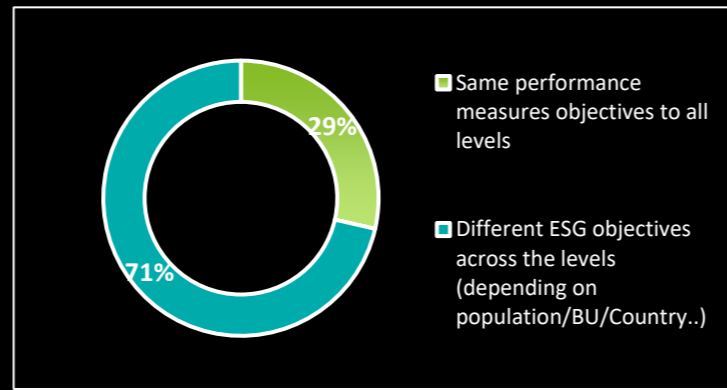
Are ESG measures applied to all levels ?



82% of companies apply ESG indicators to all eligible populations.

** By all levels, we mean, all population eligible to Annual Bonus.*

Are ESG measures the same across levels ?

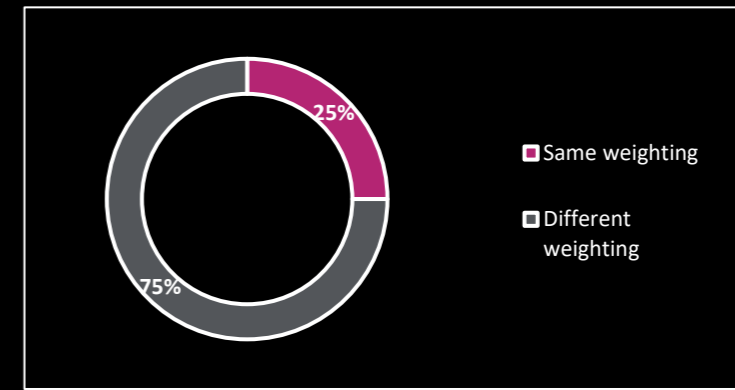


71% of companies apply different ESG measures across levels.

** Most common trend is to use specific measures for BU/Country.*

Weight applied for ESG measures as well as the differences between the different levels.

Have they the same weight across levels ?

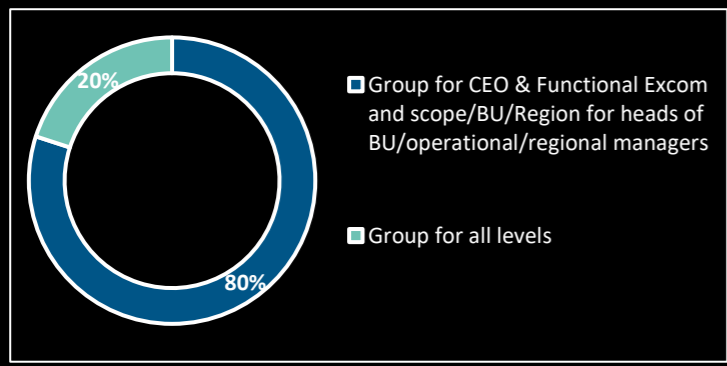


75% of companies apply different ESG weighting across levels.

**Typical weighting is 20% at average for all levels.*

Applicable scope to calculate these measures

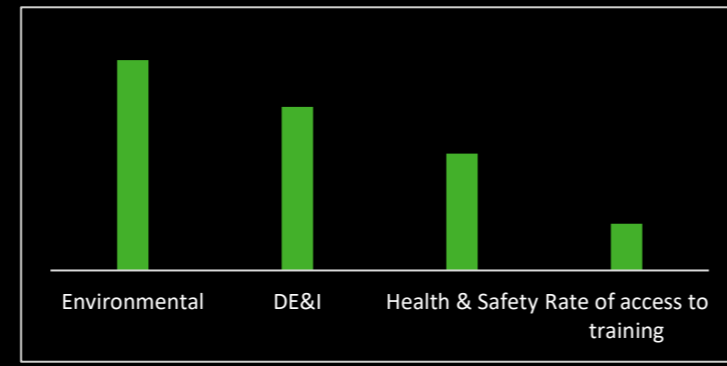
What is the applicable scope to measure ESG ?



80% of companies adapt ESG performance measurement to the scope of responsibility (e.g. country, business unit...).

Type of measures (and sub-measures) used in the incentive's programs

What are the types of ESG measures across levels ?



Among our participants, environmental metrics dominate in terms of use, primarily focusing on **reductions in CO2 consumption and GHG emissions.**

Following closely are diversity and inclusion criteria, including metrics like women's representation in top management, gender parity within senior management, and broader Diversity and Inclusion KPIs.

Rate of access to training is typically a different ESG measures applied to below ExCom or Senior Management Levels.



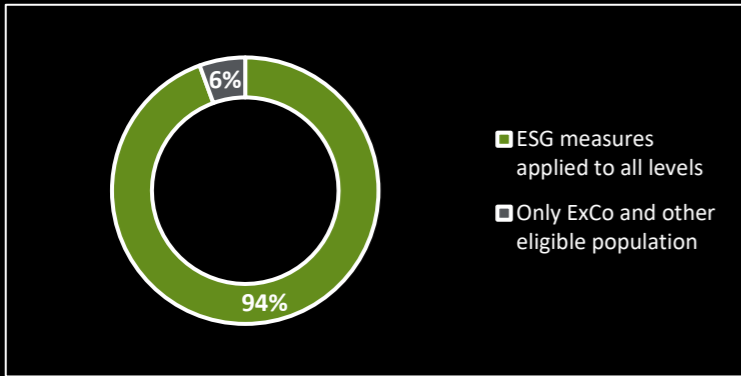
LTI Focus

ESG Measures Across Levels

LTI Focus

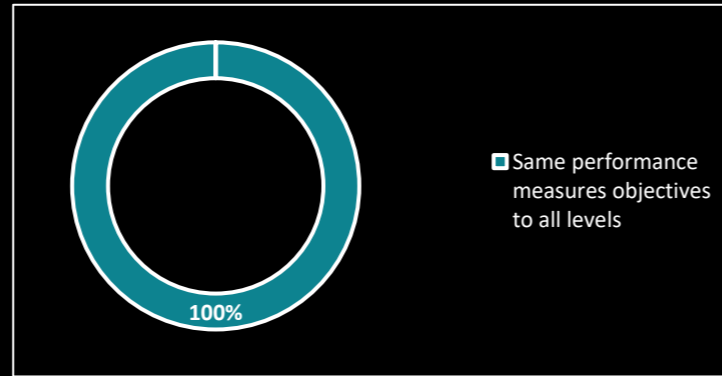
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Are ESG measures applied to all levels ?



94% of companies apply ESG indicators to all eligible populations.

Are ESG measures the same across levels ?

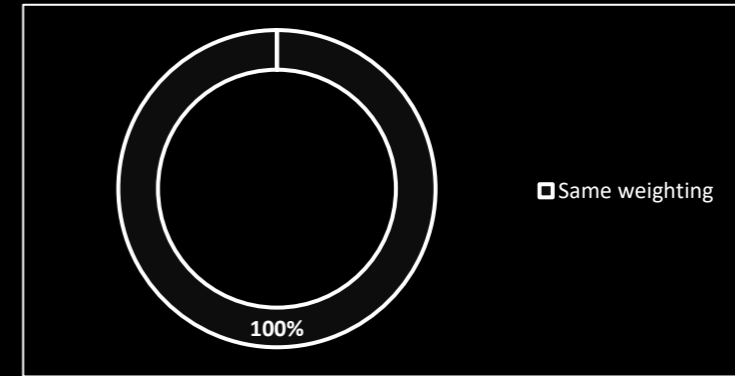


100% of companies apply same ESG measures across levels.

** Most common trend is to use specific measures for BU/Country.*

Weight applied for ESG measures as well as the differences between the different levels.

Have they the same weight across levels ?

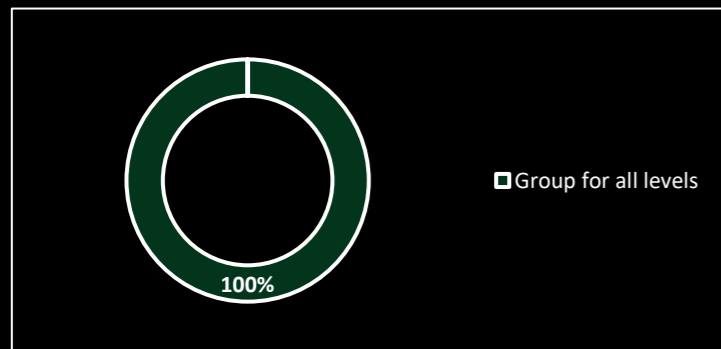


100% of companies apply same weighting across levels.

**Typical weighting is 25% at average for all levels.*

Applicable scope to calculate these measures

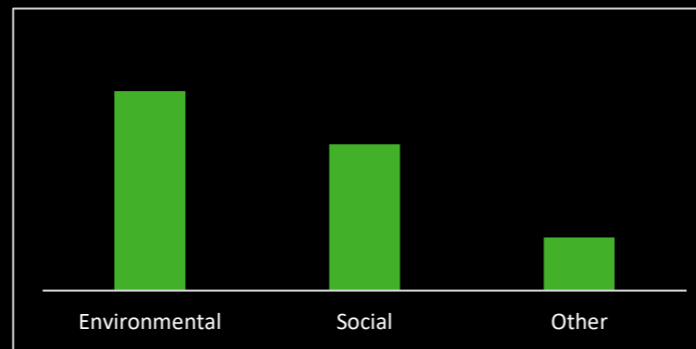
What is the applicable scope to measure ESG ?



100% of companies apply a group level for ESG measurement.

Type of measures (and sub-measures) used in the incentive's programs

What are the types of ESG measures across levels ?



Companies primarily favor **Environmental** Key Performance Indicators (KPIs), often focusing on reducing **CO2 consumption** and **GHG emissions as well as Biodiversity**.

Women representation is also widely used within LTI for its long-term character.

Other category contains external ESG indexes such as DowJones or other global ones.

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Thank you for your participation
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