

ISS Releases 2021 Policy Survey

ISS recently launched its 2021 policy survey to solicit feedback from corporate issuers, institutional shareholders, and other industry constituents for the development of ISS' 2022 voting policies. The survey questions indicate items ISS is considering for its 2022 policy.

The 2021 policy survey is comprised of two surveys: the [Benchmark Policy Survey](#) and the [Climate Policy Survey](#). To provide your feedback, complete and submit the surveys to ISS by August 20th at 5 pm EST.

While not an exhaustive list, provided below are key U.S. governance and compensation-related questions included in the Benchmark Policy Survey (note: the Climate Policy Survey covers various questions related to climate change and companies' related contributions, and actions/consequences).

Compensation

- **ESG Performance Metrics:** Should ESG-related metrics be included in executive compensation programs, and if so, how should they be selected/measured?
- **Multiple of Median CEO Pay Test:** Should ISS adopt a 3-year multiple of median CEO test for its quantitative evaluation, or continue with a 1-year measurement approach?
- **Mid-Cycle Changes to LTI Plans:** What is your organization's view on mid-cycle changes to long-term incentive programs for companies incurring long-term negative impacts from the pandemic?

Governance

- **Companies with Pre-2015 Poor Governance Provisions:** For companies with poor governance policies adopted prior to 2015 (e.g., multi-class voting structure), and therefore were grandfathered from adverse voting recommendations from ISS, should ISS revisit these problematic provisions and consider issuing adverse voting recommendations in the future where they still exist? If so, which policies should ISS revisit?
- **Recurring Adverse Director Recommendations:** Does your organization believe that ISS should continue to make recurring adverse director vote recommendations for companies with supermajority vote requirements, if the company has sought shareholder approval to eliminate such supermajority vote requirements?

Other Notable Items

- **Racial Equity Audits:** Do you believe third-party racial equity audits are important? What company-specific factors are indicative that a company would benefit from an independent racial equity audit?
- **SPACs:** Does it make sense for investors to generally vote in favor of SPAC transactions, regardless of the merits of the target company combination or any governance concerns? What issues, dealbreakers, or concerns do you consider might be reasons for an investor to vote against a SPAC transaction?

The results of the survey are expected to be released after they close, followed by an open comment period for feedback. The final policy updates for the 2022 proxy season will be released later in 2021. Additional details regarding the policy update process are available on [ISS' website](#).

Please feel free to contact us if you'd like to discuss further.