

# Highlights

## Regulatory



For calendar year ends, 2021 remuneration reports will need to include additional disclosures for directors of a company following the regulations under The Shareholder Rights Directive II (earlier compliance may be required for companies with June to November year ends).

## Investors



The post COVID-19 business environment will mean a greater than ever focus on fairness and wider business performance in determining executive reward. Economic decisions impacting the workforce will be expected to be reflected in executive pay.

## Environment, Social and Governance (ESG)



The ESG agenda has moved significantly up the agenda for the vast majority of investors and continues to gain momentum across the FTSE 350. We expect this to grow as a feature in executive reward performance measures, but must have a clear link to strategy.

## Pensions



Pensions continue to be a focus area in 2020 with the need to align executive pensions with the majority of the workforce as soon as possible and by the end of 2022. Institutional investors are likely to red-top instances of non-compliance.

## Shareholding requirements



Following the introduction of post-employment shareholding requirements, companies are now encouraged to state the structures and processes in place for enforcement of this requirement.

## Diversity



Progress continues to be made on gender diversity in the boardroom with all FTSE 350 companies having at least 25% female representation on the board. However, 2020 has thrown a spotlight on the issue of diversity and equality in terms of ethnicity and race, which also needs to be addressed.