2024 Proxy Statement Trends.

January 2024

LABRADOR

Transparency by design

Letter from Our CEO

At Labrador, our Purpose is simple: **we exist to offer the science of transparency to corporations wishing to communicate effectively with their readers.** Our team of over 250 advisory, design, production, and web professionals is dedicated to transparency in the USA, Asia, and Europe. Together, we use our content and design expertise to help corporations create a better reader experience and promote stakeholders' trust in their disclosures.

As we begin the 2024 proxy season, we wanted to share with you the knowledge we have gained through client interactions, engagement with the investor community and our ongoing study of the ever-changing landscape of modern disclosure.

Thanks to the research work of our advisory team, you will learn about:

- Consistently tying in strategy throughout the different sections of the proxy statement.
- Demonstrating directors' value and oversight strengths.
- Selecting and prioritizing HCM and ESG highlights.
- Efficiently summarizing compensation disclosures to reflect the alignment of pay and performance.

We believe that improved disclosures in these areas will help companies better communicate performance for their investors and create broader value for all stakeholders.

We invite you to explore the information in this Thought Piece, and we look forward to assisting you in your ongoing efforts to elevate the readability and efficacy of your proxy disclosures.

Sincerely,

Thibault Dewavrin

In This Thought Piece

At Labrador, through first-hand experience, research, and analysis, we follow and understand evolutions in corporate communications and transform our knowledge into opportunities for our clients. Our award-winning experience helps companies engage with investors, analysts, and other stakeholders through effective annual reporting, proxy statements, ESG reports, and other investor materials.

In this Thought Piece, our proxy Lead Advisors provide commentary around what we anticipate being some of the key disclosure trends for the 2024 proxy season, with practical examples from 2023 disclosures.

Contents

Labrador annually recognizes companies for their commitment to transparent corporate reporting. In 2023, company rankings were determined through review of annual proxy statements, annual reports on Form 10-K, ESG reports, investor relations websites, and codes of conduct of S&P 250 companies. Each company's documents were scored using 237 discrete criteria that flesh out the pillars of transparency: Accessibility, Precision, Comparability, Availability, and Clarity. This Thought Piece includes datapoints derived from the transparency award results.

For more information about the 2023 Transparency Awards, visit www.transparencyawards.com.

Companies Featured in this Thought Piece

accenture	AIG	Allstate. You're in good hands.	AMERICAN TOWER CORPORATION	AMERICAN EXPRESS	
BORGWARNER	CardinalHealth	Chevron	Coca-Cola	ConocoPhillips	exelon
Foot Locker	GE	General Mills	Goldman Sachs	Healthpeak PROPERTIES	Honeywell
Humana	JPMorgan Chase & Co.	leidos	LOCKHEED MARTIN	LOWE'S	LUMEN
MSCI	OXY	PayPal	PEPSICO	PFG Performance Food Group	Pfizer
PHILLIPS 66	PROLOGIS	Royal Gold, Inc	Sherwin Williams.	Southern Company	TRITON
verizon	Walgreens Boots Alliance	Walmart	WELLS FARGO	World Fuel Services	

Laura Ann Smith

Elevating the Discussion of Strategy Throughout the Proxy Statement

Oversight of a company's strategy and long-term value creation is arguably the Board's most important function. Given the role of the proxy statement in demonstrating Board effectiveness, strategy should be central to the discussions throughout a company's proxy statement.

BlackRock states in its Global Principles that "Disclosure of all material issues that affect the company's long-term strategy and ability to create value is essential for shareholders to be able to appropriately understand and assess how risks are effectively identified, managed, and mitigated." Investors want a clear view into the boardroom to understand how the Board oversees the creation and evolution of the company's strategy and how the other matters the Board is responsible for overseeing (i.e., Risk Management, ESG, HCM and Executive Compensation) support the company's strategy. In addition, shareholders want to understand how the directors collectively and individually possess the right mix of skills to support their oversight responsibility. Companies that provide transparent disclosures related to the Board's strategic oversight, and its connection with other major risk topics and governance processes, are more likely to receive shareholder support of the company's slate of directors, particularly in the event of a proxy contest.

To that end, the Transparency Award Criteria support elevated discussions of strategy throughout the proxy statement, including:

- a company overview section using graphics or other visual elements that includes a summary of company strategy;
- an explanation of each relevant Board skill and its link to company strategy; and
- a dedicated section, subsection or callout discussing Board's role in oversight of strategy.

Benchmark Findings

50.0%
The document includes a dedicated section, sub-section or callout discussing the Board's oversight of strategy

27.2%
The document includes a company overview section using graphics or other visual elements that includes a summary of company strategy

32.8%
The letter from leadership discusses strategy

25.6%
The CD&A includes how each compensation element/component ties up to strategy

30.4%
The relevance of each Board skill and its link to company strategy is explained

5.2%
The inside front cover contains information on strategy

As companies continue to evolve and enhance their proxy disclosures, they should consider each of the following sections of the proxy statement for opportunities to discuss the Board's role in supporting the company's strategy:

- **Letters from Leadership:** Letters in proxy statements – particularly those from independent Board members – should focus on performance accountability, explaining how the company's governance framework, as adopted and overseen by the Board, supports the company's strategy and creation of long-term value for shareholders and other stakeholders.
- **Introductory Pages:** Companies can use the inside front cover or the company highlights section (whether before or as part of the Proxy Summary) to provide a graphic highlighting the basics of their corporate strategy. While this is usually covered in more detail in the Annual Report, the goal here is to provide immediate access to key messages that provide context for other proxy disclosures and to help investors make better voting decisions.
- **ESG/HCM:** When discussing a company's approach to HCM or its ESG priorities, disclosures should help stakeholders understand how the company's approach aligns with their stated strategy and business model and should demonstrate how the Board's oversight of ESG and HCM matters are part of the Board's oversight of the company's strategy.
- **Board Skills:** In addition to including a list of skills possessed by the Board members, companies should also explain how each of the skills included in their skills matrix supports the Board's ability to more effectively oversee strategy. In addition, companies should detail how the Board continually assesses its skills mix to address future changes in strategic direction. In addition, many companies now also

include an infographic in the Proxy Summary that provides an aggregated overview of Board skills to demonstrate that the directors collectively possess the experience and expertise needed to effectively oversee long-term strategy.

- **Strategy/Risk Oversight:** Companies should include a standalone section with a narrative or visual discussion dedicated to the Board's strategic oversight role, which may or may not be combined with a discussion of risk oversight. We recommend highlighting this section near the beginning of the Board oversight disclosures.
- **Board Meetings and Committee Descriptions:** Investors and other stakeholders want a clear view into the boardroom to understand how the Board oversees the creation of the company's strategy, including the frequency and ways in which it is reviewed. At a minimum, investors want to see the Board and its committees holding a sufficient number of meetings, as it demonstrates thoughtful, engaged, and ongoing oversight of the company's strategy, business, operations, and key risks throughout the year. Another way to demonstrate engagement includes expanding the committee descriptions to highlight specific activities from the year or including a quote from the committee chair discussing highlights from the year.
- **Beyond the Boardroom:** We are increasingly seeing companies move to a more expansive discussion of director education, including a more visual presentation, to demonstrate directors are "going beyond the boardroom" to learn about the company, its operations, its people, and their own fiduciary obligations. These discussions can include directors' involvement in continuing education opportunities, external and internal business updates (including site visits and interactions with employees below the C-suite), compliance or governance trainings, and orientation programs.
- **Executive Compensation:** Investors are looking for company disclosure on executive compensation matters to help them understand how the company's pay structures align with shareholder interests as well as with corporate strategy and performance. Companies should clearly link each pay element to components of the company's strategy and business performance and, where applicable, companies should highlight recent changes to the compensation program to align with strategic initiatives.

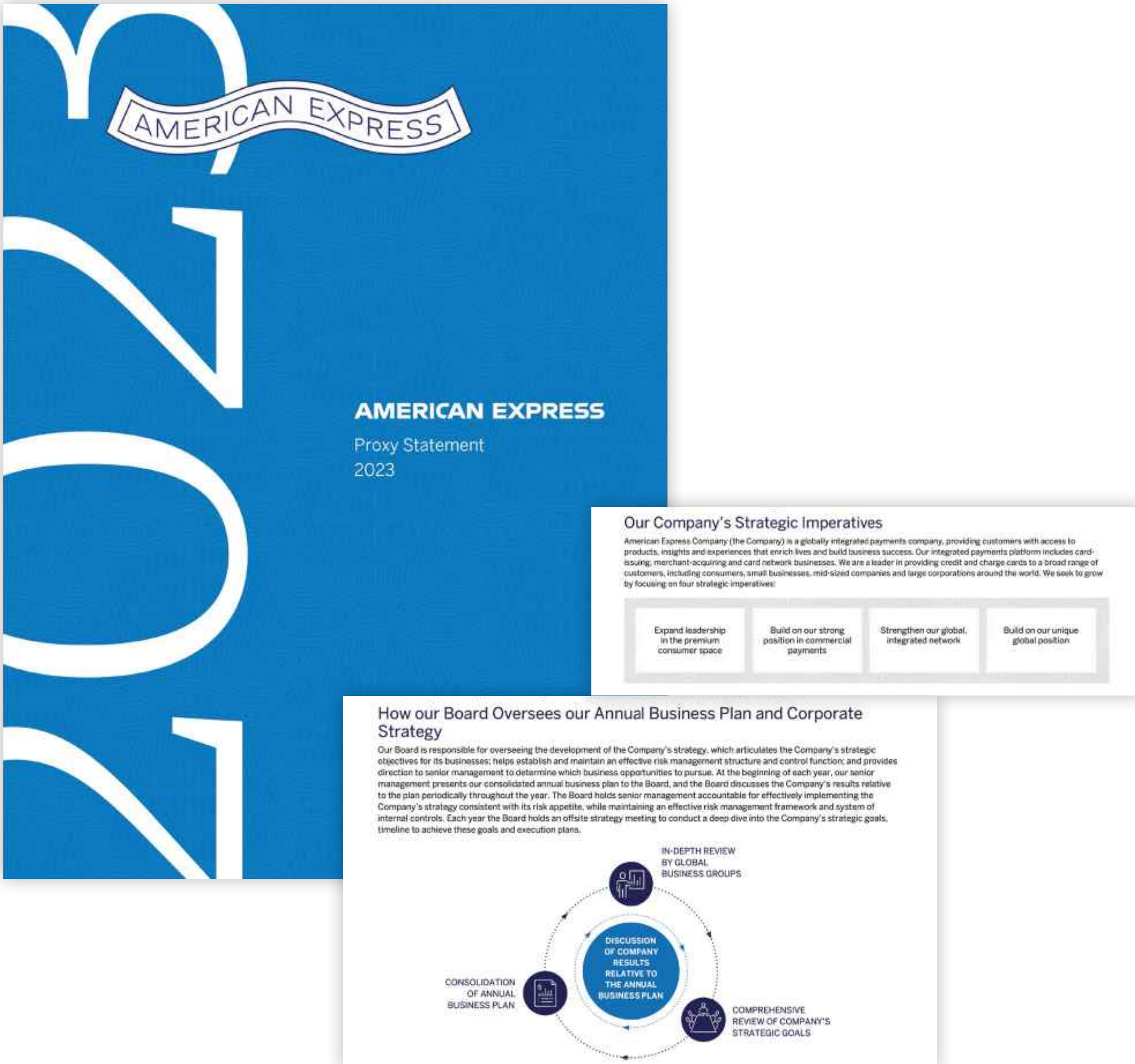
Keep in mind that, when making voting decisions, shareholders evaluate the Board's oversight of strategy and risk management, adherence to the company's purpose, and attention to generating long-term shareholder value. Large asset managers and other institutional shareholders often rely on proxy advisors who may have an industry focus, but do not "follow" the company and may not understand nuances in the business model or strategy. Therefore, companies should use every opportunity to explain their strategy and demonstrate how it sits at the core of their Board's engagement and effectiveness.

Examples

The following examples highlight the many different ways that companies incorporate discussions of the company's strategy and the Board's oversight of such strategy into their proxy statements.

General Mills 2023 Proxy Statement

American Express 2023 Proxy Statement


AMERICAN EXPRESS

AMERICAN EXPRESS

Proxy Statement
2023

Our Company's Strategic Imperatives

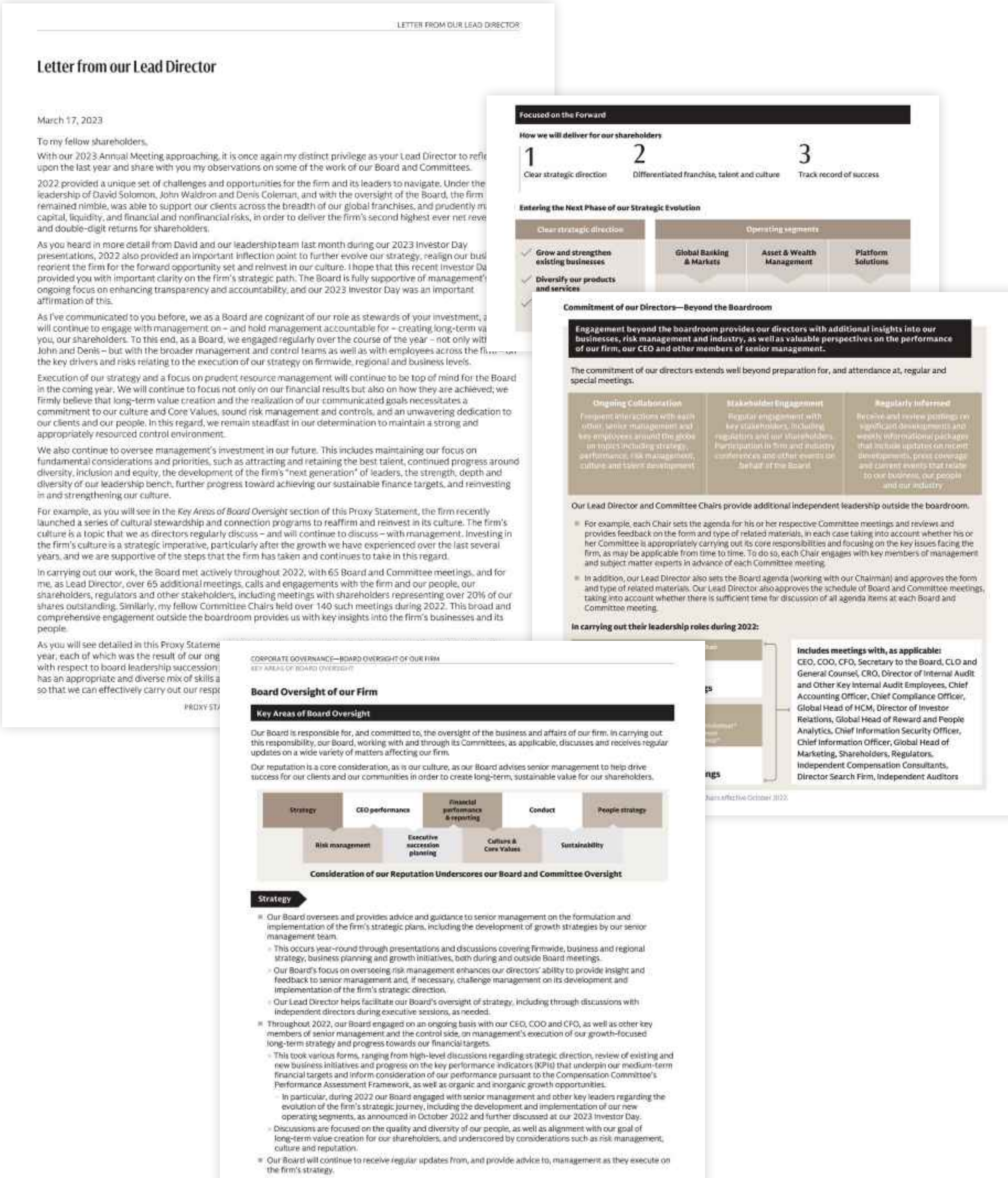
American Express Company (the Company) is a globally integrated payments company, providing customers with access to products, insights and experiences that enrich lives and build business success. Our integrated payments platform includes card-issuing, merchant-acquiring and card network businesses. We are a leader in providing credit and charge cards to a broad range of customers, including consumers, small businesses, mid-sized companies and large corporations around the world. We seek to grow by focusing on four strategic imperatives:

Expand leadership in the premium consumer space	Build on our strong position in commercial payments	Strengthen our global, integrated network	Build on our unique global position

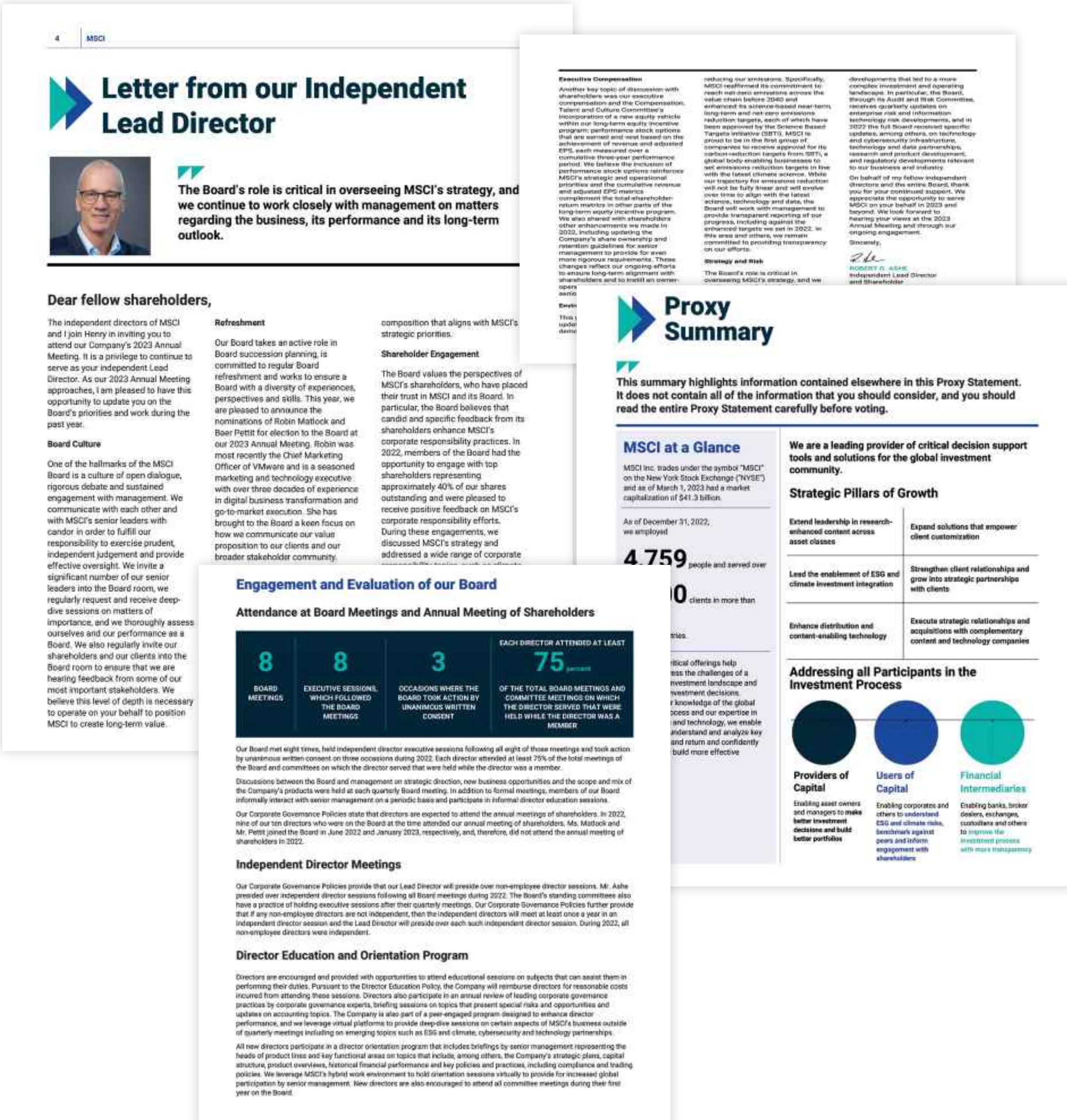
How our Board Oversees our Annual Business Plan and Corporate Strategy

Our Board is responsible for overseeing the development of the Company's strategy, which articulates the Company's strategic objectives for its businesses; helps establish and maintain an effective risk management structure and control function; and provides direction to senior management to determine which business opportunities to pursue. At the beginning of each year, our senior management presents our consolidated annual business plan to the Board, and the Board discusses the Company's results relative to the plan periodically throughout the year. The Board holds senior management accountable for effectively implementing the Company's strategy consistent with its risk appetite, while maintaining an effective risk management framework and system of internal controls. Each year the Board holds an offsite strategy meeting to conduct a deep dive into the Company's strategic goals, timeline to achieve these goals and execution plans.

Goldman Sachs 2023 Proxy Statement



MSCI 2023 Proxy Statement



Meredith Shaughnessy

ESG in Proxy Statements is Here to Stay – But Where Does It Go?

Looking back at the 2023 proxy season, one clear trend on environmental, social, and governance (ESG) reporting emerged: most public companies now include a discussion on ESG.[1] Labrador's transparency award results show that more than 75% of S&P 250 companies included these disclosures in their 2023 proxy statements, typically touching on both ESG highlights and Board oversight.

Benchmark Findings

82.8%
The document includes a section, subsection or callout discussing the Board's role in ESG oversight

30.0%
The letter from leadership discusses ESG information

77.6%
The document includes an ESG highlights/summary section

33.2%
The ESG section is in the Proxy Summary/ introductory pages

35.2%
The ESG section is in the Corporate Governance section

19.2%
The document has a stand-alone ESG section

Average number of pages of ESG section:
3.31 pages

Though ESG disclosures are prevalent, we do not see companies coalescing around a single approach on how long these discussions should be or where they should appear.

1 In addition to ESG, companies use the terms" "Sustainability," "Corporate Responsibility," or something similar.

Length

Our review showed that disclosures range from less than half a page to well over 10 pages, with an average of 3.3 pages. But the number of pages is not necessarily indicative of length, as some companies have long narrative passages while others use more infographics that allow readers to scan pages more quickly.

Location(s)

Companies are fairly balanced on where the ESG discussion appears:

- Proxy Summary (or a "company performance highlights" section that precedes the Proxy Summary/ voting roadmap),
- Corporate Governance section (typically as part of Board oversight), and/or
- Stand-alone ESG section that follows the Corporate Governance section

There are several different approaches, though, on how the information is divided up among these three sections. The following lists considerations for each approach:

Location	Typical approach	Considerations
Proxy Summary	• 1-2 page high-level and visual summary • Almost always includes additional ESG disclosure in the Corporate Governance and/or stand-alone ESG section	• Allows readers to see key ESG highlights in the front of the document • Companies should ensure they direct readers to additional ESG-related disclosure • As a best practice, ESG highlights are included as a part of company performance and/or linked to the company's business strategy
Corporate Governance section	**Two approaches:** 1. Limited to Board oversight of ESG 2. Board oversight of ESG **followed by** several pages of ESG initiatives/ highlights (often including Human Capital Management (HCM))	• Including multiple pages of ESG/ HCM initiatives can disrupt the flow of the Corporate Governance section, which is largely devoted to the Board's activities, not company activities • If not called out in the table of contents or Proxy Summary, readers may miss this section

Location	Typical approach	Considerations
Stand-alone ESG section	• Comprehensive discussion of ESG initiatives/highlights and Board oversight of ESG • Dedicated heading in the table of contents	• Good "one stop shop" for investors who want to spend time reading about the company's ESG activities and Board oversight • Can feel a bit "shoe-horned" in, as the other main sections of the proxy either support a voting item or are related to the meeting itself • If readers are only planning to read the Corporate Governance and Compensation sections of the proxy, they may miss this stand-alone section

What to Do?

Given the variability in approaches, companies should feel empowered to select what works best for their proxy statements so long as the key information that investors seek – Board oversight and ESG highlights/initiatives – are readily apparent, and that disclosure is consistent with the company's other reports.

Our general recommendation is that ESG disclosures appear in two places in the proxy statement, with clear cross-references directing the reader to additional information (whether appearing later in the proxy statement or externally to the company's ESG-related reports and/or website):

- 1-2 pages of ESG highlights in the front of the proxy statement, appearing close to company performance to draw the connection between financial/operational performance and ESG priorities. These pages should use infographics and other design elements to be visually engaging.
- 1-3 pages in the Corporate Governance section focused on the Board's oversight of ESG generally and specific ESG topics, with a graphic showing how ESG responsibilities are allocated among management personnel and the Board and its committees.

Different Approaches by Labrador Transparency Award Winners

The winners of Labrador's 2023 Transparency Awards for Proxy Statements (Allstate, Lockheed and GE), as well as the winner of Best Overall Transparency (PayPal), demonstrate how different approaches still support effective and transparent disclosure. Among these four companies, ESG disclosures appear in one, two and three different sections and range from less than one page to more than 12 pages.

Examples

Allstate 2023 Proxy Statement

Three locations (12+ pages total)

- **Proxy Summary:** 2-page sustainability highlights (pp. 12-13), immediately following financial highlights

- **Corporate Governance:** Conspicuous cross-reference to Board oversight of sustainability on first page of Board Oversight section (p. 33), and separate discussion of Board oversight of cybersecurity, political activity, climate and HCM in this section

3

Board Oversight

Key Areas of Risk Oversight

Climate	Strategy	Political Engagement
Cybersecurity	Risk and Return Management	Compensation
Human Capital Management		

The Board has primary responsibility for risk oversight. This includes oversight of Allstate's Enterprise Risk and Return Management ("ERRM"), which applies risk-return principles, modeling and analytics, governance, and transparent management dialogue for the company's significant risk and return priorities. Risks are regularly identified, measured, managed, and reported and risk and return perspectives are shared with the Board across six risk types: financial, insurance, investment, operational, strategic execution, and culture. The chief risk officer's assessment of Allstate's current risk position and alignment with risk and return principles is reviewed throughout the year, including risks associated with culture, climate, strategy, succession planning, political process, human capital, compensation and cybersecurity.

See page 60 for additional detailed information about governance and oversight of ESG. ▸

NEW

What's New

Allstate's Societal Engagement Framework helps the Board evaluate, prepare for and act on societal issues important to the company.

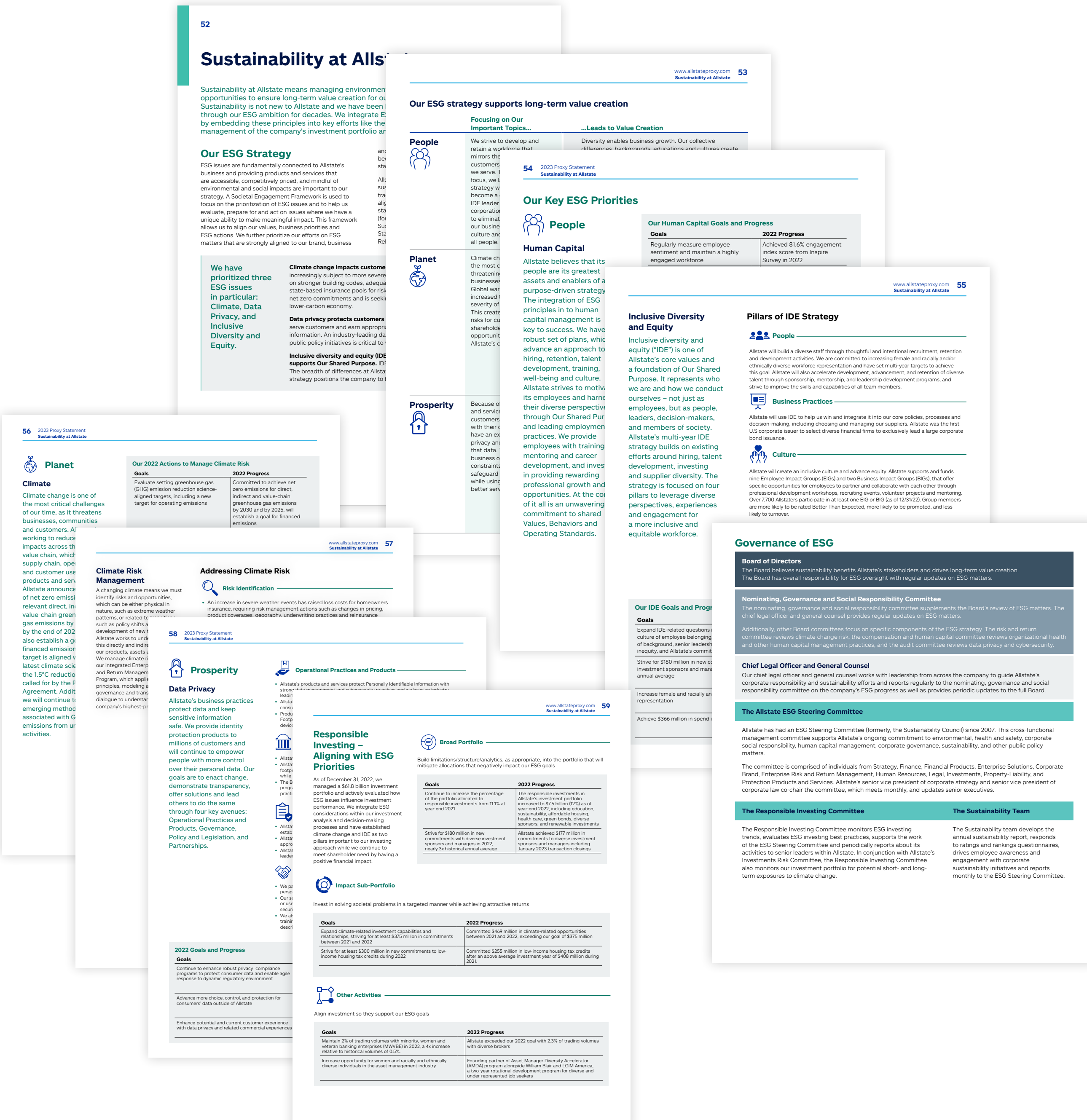
Strategy

The Board provides oversight on the development and implementation of Allstate's strategic plans and associated risks. The full Board oversees strategy and enterprise risk and Board committees have additional oversight of various aspects of Allstate's strategy.

Strategy is discussed at each regular Board meeting and presentations are provided by management on specific strategic initiatives and topics such as short- and long-term strategic and operational plans, capital utilization, investment returns, acquisitions and divestitures, capital market transactions and strategic ESG priorities. Management reviews with the Board Allstate's overall corporate strategy and key strategic risks and returns, which are assessed by the chief risk officer annually.

Throughout 2022, the Board engaged on an ongoing basis with management on the execution of the Transformative Growth strategy and progress towards achieving each of the various components of the strategic and annual operating plans.

- **Stand-alone ESG section:** 9-page "Sustainability at Allstate" section, including ESG governance graphic, starting on p. 52



Lockheed Martin 2023 Proxy Statement

Three locations (<8 pages total)

- **Proxy Summary:** Very short reference (less than 1/3 page) in the “About Lockheed Martin” section that precedes the Proxy Summary/voting roadmap (p. 2)

Sustainability

At Lockheed Martin, we foster innovation, integrity and security to protect the environment, strengthen communities and propel responsible growth. We integrate environmental, social and governance practices throughout our business and our employees actively strengthen the quality of life where we live and work. In 2022 we updated the two carbon-related goals shown below, which will accelerate our carbon reduction and renewable energy strategies. See the Environmental, Social and Governance section starting on page 32 for more information on our Sustainability efforts.

Carbon Reduction

By 2030, reduce Scope 1 and 2 absolute carbon emissions by **36%** from a 2020 baseline.

Renewable Energy

By 2030, match **40%** of electricity used across Lockheed Martin global operations with electricity produced from renewable sources.

- **Corporate Governance:** Very short discussion of Board oversight of ESG (p. 24), with a cross-reference to a stand-alone ESG section

Board Oversight of ESG

The Board and its committees exercise broad oversight over issues important to the Company, including ESG topics. The discussion of the Board’s oversight of sustainability, people strategy, workforce diversity and inclusion, cybersecurity, political and policy activities and human rights are discussed in the “Environmental, Social and Governance” section on page 32. The Board’s oversight of governance issues is discussed throughout the “Corporate Governance” section.

- **Stand-alone ESG section:** 7-page "Environmental, Social and Governance" section, including ESG governance graphic and extensive discussion of Human Rights, starting on p. 32

General Electric 2023 Proxy Statement

One location (<1/2 pages total)

- **Corporate Governance:** Very short discussion of Board oversight of ESG (p. 18), with a cross-reference to GE's ESG webpages and various reports

Sustainability

GE is rising to the challenge of building a world that works, with a focus on opportunities for our technology in the future of smarter and more efficient flight and the energy transition to drive decarbonization. In connection with the planned spin-offs, we have worked across GE to ensure that the independent companies we are creating will operate with sustainability at their core on day one. We are fully seizing the opportunity to focus on the critical global needs in energy and aviation, merging the legacy of GE's technology and culture and the best-in-class expertise of modern sustainability programs.

We recognize the importance of these topics to our shareholders and other stakeholders, and sustainability is a driving force behind the work we do and the company's long-term value. More information that may be of interest to a variety of stakeholders about GE's sustainability approach, priorities and performance, including about safety, greenhouse gas emission reductions for our own operations and for our products, including Scope 3 emissions from use of sold products, environmental stewardship, diversity and inclusion (as also discussed further below), supply chain and human rights and other matters, can be found in our Sustainability Report. Among other things, the Sustainability Report includes our ambition to be a net zero company by 2050, targets for reducing Scope 1 and Scope 2 emissions, Scope 3 reporting for use of sold products and TCFD-aligned reporting on climate-related risks.

Sustainability is an integrated aspect of how we think about strategy and risk. Our Board and management believe the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, recruits, customers, suppliers, GE communities, government officials and the public at large. We believe the integration of a sustainability lens with our daily operations, culture and company priorities is important to driving results. At the Board level, these topics often span multiple functional categories and areas of oversight, and therefore oftentimes involve discussion at the full Board level rather than individual committees. In addition, our Governance Committee has oversight responsibility for GE's priorities and external reporting related to sustainability matters, and our Audit Committee also plays a role in the oversight of such external reporting, including reporting on these matters in SEC filings and data quality related to this reporting.

For additional reporting on sustainability and ESG matters, see our ESG webpages, our 2021 Sustainability Report, our 2021 Human Rights Report and our 2021 Diversity Annual Report (see Helpful Resources on page 77).

Our Reach

ENERGY TRANSITION
1/3 of the world's electricity generated with the help of our technology

FUTURE OF FLIGHT
3 out of 4 commercial flights powered by GE or partner engines

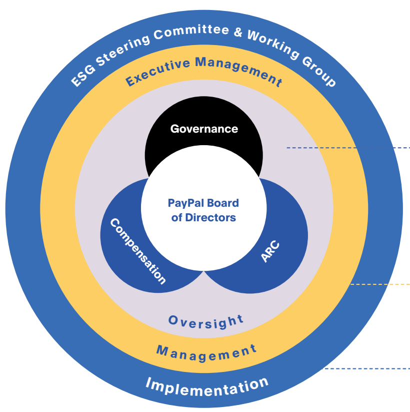
PayPal 2023 Proxy Statement

Two locations (7 pages total)

- **Proxy Summary**: One page (including an ESG governance graphic) at the end of the Proxy Summary, with cross-references to PayPal's ESG report and later discussion in the proxy statement (p. 11)

ESG Governance & 2022 Highlights

Our governance framework is designed to provide sound company oversight, drive Board and management accountability and demonstrate PayPal's commitment to transparency, independence and diversity. We take a decentralized approach to management of ESG within the organization, led by oversight from our Board and strategy-setting from senior leadership. The entire Board engages on ESG matters that impact business strategy, and Board committees are tasked with oversight of specific matters. Management briefs Board committees and executive management on ESG topics on a quarterly basis and meets with a subcommittee of the Enterprise Risk Management ("ERM") Committee at least annually to review current and emerging ESG-related risk topics.



Oversight

Our Board of Directors is actively engaged on ESG matters that impact business strategy.

- **Governance Committee:** Oversight of PayPal's management of ESG, including overall ESG strategy, risks and opportunities, stakeholder engagement and programs and initiatives in social innovation and environmental sustainability
- **Audit, Risk and Compliance (ARC) Committee:** Oversight of the company's risk framework and enterprise-wide compliance program, including cybersecurity and privacy matters
- **Compensation Committee:** Oversight of the company's strategies and responsibilities related to human capital (global talent) management, including diversity and inclusion, pay equity efforts and corporate culture

Management

Our executive management directs and manages the execution of our enterprise-wide ESG strategy to ensure non-financial risks and opportunities are appropriately integrated across the enterprise, including through the ERCM Program

Implementation

An ESG steering committee and cross-functional working groups with representatives from more than 20 functions are responsible for overall program implementation

PayPal recognizes the importance of operating our business in a responsible and sustainable manner aligned with our mission to build a more financially inclusive and interconnected global economy. We believe the effective management of key non-financial risks and opportunities plays a role in furthering our strategy and helps to create value for our stakeholders. To that end, in 2022, we continued to demonstrate progress across the four dimensions of our ESG strategy.

Responsible Business Practices
Strengthened our proactive cybersecurity program through our **ISO 27001 certified information security program** and educated and protected consumers and employees against fraud.

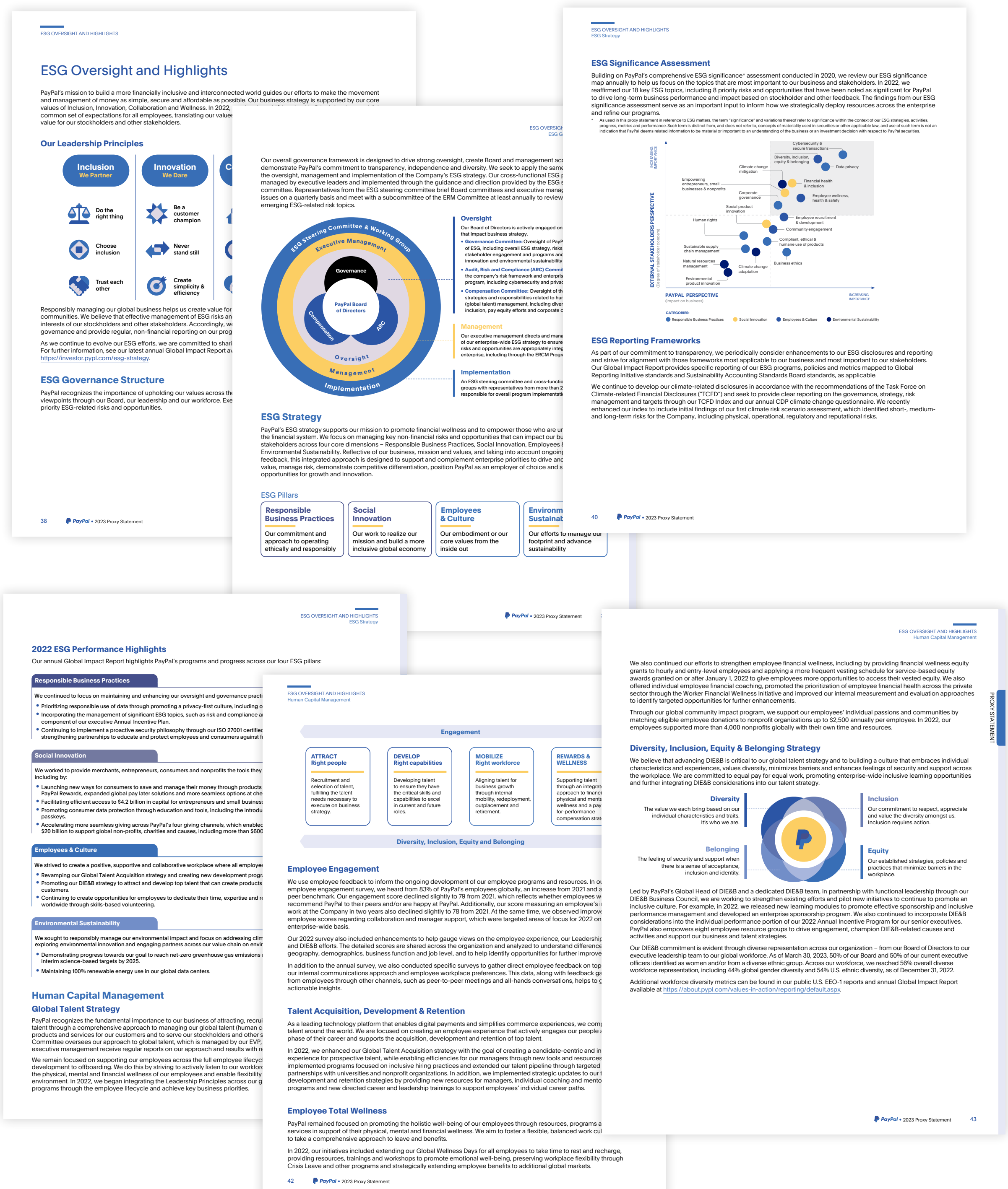
Social Innovation
Facilitated **access to $4.2 billion in capital** for entrepreneurs and small businesses.

Employees & Culture
Reached **56% overall diverse workforce representation** and continued to build on our global talent strategy to attract, develop and retain top talent.

Environmental Sustainability
Demonstrated progress towards our science-based climate targets across our value chain and maintained **100% renewable energy** for our data centers.

For more information on our ESG strategy and program, see "ESG Oversight and Highlights" beginning on page 38 of this proxy statement, and our most recent Global Impact Report, which is available at https://investor.pypl.com/esg-strategy.

- **Stand-alone ESG section:** 6-page “ESG Oversight and Highlights” section, including HCM, starting on p. 38



Deborah Koenen

Human Capital Management

In response to investor and regulatory interest, more companies are supplementing their required Form 10-K disclosure with statements in their proxy statement describing their human capital management (HCM) program. The level of detail provided varies greatly by company, with some having multi-page disclosures, while others have a short highlights section. The broad range of topics covered includes Board oversight, talent development, pay programs and equity, diversity and inclusion, retention and turnover, culture and employee engagement, ethics and integrity, health and wellbeing programs, and external recognitions and awards.

Human capital highlights can be found in the proxy statement's Board letter, the introductory pages about the company, the corporate governance section or later in the CD&A. It is also often listed as a key qualification represented on a company's Board and identified as a topic of discussion with stockholders. References are also often provided to a company's publicly available EEO-1 Report.

At a minimum, the proxy statement should address the importance of talent to the company's business and long-term strategy and the Board's related oversight role. Companies address Board engagement by describing the frequency and type of reviews as well as the types of direct employee interactions. Consideration should be given to discussing any human capital goals. In the last few years, companies have been disclosing key metrics to emphasize the importance of certain human capital programs to their strategy and business. The types of metrics disclosed include the percentage of employees or executives that are diverse, number of new hires and/or promotions that identify as part of a minority group or as female, percentage of positions filled with internal talent, results from employee engagement surveys, and the types of courses to develop employees.

Benchmark Findings

30.4%
The company overview section includes HCM information

47.2%
The document includes a human capital highlights/ summary section

22.4%
Within the Proxy Summary/introductory pages

27.2%
Within the Corporate Governance section

20.4%
Within the ESG stand-alone section

Average number of pages of HCM section: **1.79 pages**

HCM topics discussed/disclosed in the document:

37.2%
Values and culture

65.2%
Diversity equity & inclusion (DE&I)

33.6%
Employee engagement

41.2%
Training and development

29.6%
Recruitment and retention

34.4%
Health and wellbeing

24.4%
Safety

20.0%
DE&I stated goals

10.4%
Quantitative DE&I progress against goals (ex: numbers)

9.6%
Qualitative DE&I progress against goals (ex: actions)

2.8%
Retention and turnover data

Benchmark Findings

46.0%
The document includes a dedicated section, subsection or callout discussing the Board's role in oversight of human capital management

18.0%
HCM oversight is located in "risk oversight" within the Corporate Governance section

13.2%
HCM oversight is located within its own section in Corporate Governance

16.0%
HCM oversight is located in ESG disclosures section

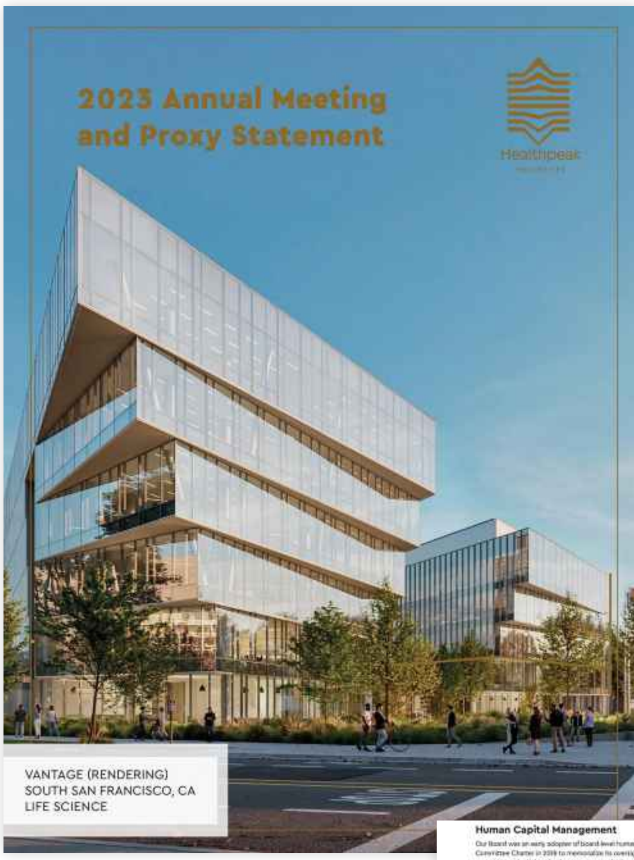
Attention should be given to ensuring consistency among the human capital disclosures in the proxy statement, annual report on Form 10-K, and a company's sustainability reporting. When compensation and benefits matters are encompassed in a company's HCM disclosures, care should be taken to reduce duplication and ensure consistency with the executive compensation disclosures.

Management succession is also an important component of a company's HCM program. See page 69 of this Thought Piece for best practice disclosures related to management succession.

Examples

Healthpeak 2023 Proxy Statement

Healthpeak includes a short description of Board oversight and key human capital initiatives.



Human Capital Management

Our Board was an early adopter of board-level human capital management oversight and formally amended the Compensation Committee Charter in 2019 to memorialize its oversight of human capital matters. Our Board believes that human capital management is vital to the Company's organizational health and is strongly committed to diversity and equal opportunity, with the tone set from the top. The Compensation Committee has oversight over human capital matters, including culture, diversity, equity, inclusion, talent acquisition, retention, employee satisfaction and engagement, succession planning and executive compensation.

Cornerstones of Our Human Capital Management Initiatives

- **Diversity, equity and inclusion:** Makes our organization stronger through a variety of skills, perspectives and backgrounds
- **Employee satisfaction and engagement:** Helps us retain top talent and continuously enhance our performance
- **Attracting top talent:** Positions us for long-term success
- **Training and development:** Helps enhance career and professional development and identify emerging leaders
- **Compensation and benefits:** Provides merit-based, equitable compensation to attract, retain and recognize top talent
- **Community partnership:** Provides support to charitable organizations and initiatives that share our mission
- **Health, safety and wellness:** Protects our most vital assets – our employees – through special training and other measures
- **Succession planning:** Ensures that top management positions can be filled without undue interruption

AIG 2023 Proxy Statement

AIG includes a succinct 1-page description of the importance of human capital, Board oversight and key priorities.

General Mills 2023 Proxy Statement

General Mills' people and inclusion highlights are included in the introductory pages with narrative disclosure related to Board oversight of different HCM topics included in the corporate governance section.

People and Inclusion Highlights

42%
of our officers and directors are women

Global Inclusion

19%
of our officers and directors are racially or ethnically diverse

We believe that fostering a culture of inclusion and belonging strengthens our business performance and execution improves our ability to recruit and develop talent and provides for a rewarding workplace experience that allows all of our employees to thrive and succeed. We actively cultivate a culture that acknowledges, respects and values all dimensions of diversity – including gender, race, sexual orientation, ability, backgrounds and beliefs.[1] Ensuring dive of input and perspectives is core to our business strategy, and we are committed to recruiting, retaining, developing and advancing a workforce that reflects the diversity of the consumers we serve.

Our Inclusion Goal

Is to foster a culture of inclusion and belonging that allows all of our employees to thrive. Ensuring diversity of input and perspectives is core to our business strategy.

Our Inclusion Strategy

Is to use our inclusion framework to advance engagement around the world, leveraging data to asse progress and holding ourselves accountable as we continue to foster a culture of inclusion and belongin

94%
of salaried employees are proud to work for General Mills[2]

Employee Engagement

90%
of salaried employees say General Mills is a great place to work[2]

The efficient production of high-quality products and successful execution of our strategy requires a talented, skille dedicated and engaged team of employees. We work to equip our employees with critical skills and expand their contribu over time by providing a range of training and career development opportunities, including hands-on experiences thr challenging work assignments and job rotations, coaching and mentoring opportunities and training programs. To fos employee engagement and commitment, we follow a robust process to listen to employees, take action and measure progress with ongoing employee conversations, transparent communications and employee engagement surveys.

Workplace Safety

We are committed to maintaining a safe and secure workplace for our employees. We set specific safety standards to identify and manage critical risks. We use global safety management systems and employee training to ensure consistent implementation of safety protocols and accurate measurement and tracking of incidents. To provide a sa and secure working environment for our employees, we prohibit workplace discrimination, and we do not tolerate abusive conduct or harassment. Our attention to communities in our supply chain.

We have a history of strong safety performance. illness reporting criteria and metrics to improve o and situations with the greatest potential to signi current best practices and globally recognized pr

[1] Additional data on the diversity breakdown of our U.S. se (available on our website at www.generalmills.com under
[2] Data as of the last day of Fiscal 2021.

Corporate Governance

2

Overseeing Leadership Development, Culture and Human Capital Management

Leadership Development and Talent Management

Recruiting, developing and engaging our workforce is critical to executing our strategy and achieving business success. The board oversees and is regularly updated on the company's leadership development and talent management strategies designed to recruit, develop and retain global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. The board formally reviews and discusses management development and succession plans for the Chief Executive Officer and his direct reports, including individual executive transitions. These reviews include an assessment of senior executives and their potential as successor to the Chief Executive Officer. To enhance the board's understanding of the company's talent pipeline, the board meets regularly with high-potential executives in formal and informal settings. The board has also adopted procedures to elect a successor in the event of the Chief Executive Officer's sudden incapacity or departure.

Beyond leadership development, our board is continuously focused on culture and human capital management priorities for promoting a safe, inclusive and respectful work environment, where employees across our entire workforce feel empowered to speak on issues important to them, inspired to act ethically and with integrity and raise concerns and encouraged to implement new and innovative ideas in the best interests of the business.

Culture and Employee Engagement

The board is keenly interested in ensuring that the company maintains and promotes a culture that fosters the values, behaviors and attributes necessary to advance the company's business strategy and purpose. The board receives regular updates on matters of employee culture and engagement.

Human Capital Management

The efficient production of high-quality products and successful execution of the Accelerate strategy requires a talented, skilled and engaged team of employees. The board receives regular updates on the development and progression of our senior leaders. More broadly, the board and the compensation committee provide oversight on culture and human capital management topics, including diversity and inclusion, pay equity, and recruiting and development of critical talent. The compensation committee further provides oversight of the company's talent acquisition strategies and career development practices to ensure they are successfully supporting the company's strategy and appropriately mitigating the risk of the loss or disengagement of critical talent.

Beyond the Boardroom: Understanding Our Culture

To enhance the board's understanding of the company's work environment and culture, the board regularly conducts meetings and schedules site visits at the company's food production facilities. The board also reviews critical feedback provided through regular employee culture surveys and receives updates on management's plans for addressing concerns or potential areas of improvement.

Diversity and Inclusion

Fostering a culture of inclusion and belonging strengthens our ability to recruit talent and allows all of our employees to thrive and succeed. We actively cultivate a culture that acknowledges, respects and values all dimensions of diversity – including gender, race, sexual orientation, ability, backgrounds and beliefs. The board receives regular updates on the company's diversity and inclusion initiatives and statistics and believes that diversity of input and perspectives is core to our business strategy. The compensation committee oversees the company's strategies, practices and performance related to the support and advancement of workplace diversity, equity and inclusion and is committed to ensuring we are recruiting, retaining, developing and advancing a workforce that reflects the diversity of the consumers we serve. This commitment starts with our company leadership where women represent 42% of our officer and director population, and 19% of these professionals are racially or ethnically diverse.

Fostering a culture of inclusion and belonging is strongly supported by the board and is embedded in our day-to-day ways of working through: Courageous Conversations, which bring the organization together to tackle difficult-to-address topics openly and candidly; an Allyship Framework, which supports our employees on their journey as allies with practical solutions for the workplace; Inclusion Contacts consisting of a library of topics used at the beginning of meetings to foster discussion, build empathy and increase understanding; and strong employee networks made available for our employee communities to have space to learn and grow.

American Tower 2023 Proxy Statement

American Tower's multi-page human capital disclosure includes key highlights, metrics, and recognitions.

Human Capital Management

The Board recognizes that our 6,391[1] full-time employees are our most important assets and are fundamental to our success. Our teams represent nearly 30 countries around the world, with 2,375[1] employees based in the U.S. and 4,016[1] based internationally. Aligned with our business strategy, our human capital management strategy focuses on developing and delivering solutions to attract, develop, engage and retain top diverse talent in each of the countries where we operate. We value the diverse perspectives of our employees and encourage all of them to bring their authentic selves to work every day. We consider our employee relations to be good. Our Chief Sustainability Officer and Chief Human Resources Officer regularly report to the Nominating and Corporate Gove

Compensation Committee of our Board of Directors, respectively, on our initiatives related to human capital management.

[1] Employee headcount as of December 31, 2022.

Diversity, Equity and Inclusion

Diversity, equity and inclusion are fundamental considerations and values for us in conducting business. A

Training and Development

As a critical investment in our capacity to provide customers with outstanding support and customer service, we offer a variety of development opportunities unique to each market to cultivate our talent throughout our global organization. For individual contributors, we have 9,600 resources in up to five languages that focus on job-specific training and general topics, such as productivity, collaboration and project management. We create and customize our courses to meet regional needs and update them regularly to address changing marketplace dynamics and employee interests.

100% of eligible employees at all levels received an annual performance and career development review during 2022.

Management and Leadership Development

Developing our managers is critical to our success, and over 39,000 resources and tools are provided to all levels of management. For example, our management development programs provide continuous learning opportunities through training led by American Tower leaders. Managers learn tools and best practices that enable both management and team success and that build and strengthen competencies to better respond to the needs of a growing and increasingly complex organization. Our annual Advanced Leadership Development program, in collaboration with the Institut Européen d'Administration des Affaires (INSEAD) executive education program, provides our next-generation leaders in Latin America, Europe, the U.S. and Africa with a 12-week intensive workshop to enhance management and leadership skills. The Leadership Excellence at American Tower program supports global senior leaders' development through its partnership with the Massachusetts Institute of Technology. Participants learn from leading experts on topics like global strategy and leading in uncertain times. For our U.S. employees in underrepresented groups who are considered emerging leaders, we offer The Power of Choice program. This development opportunity, which is a blend of in-person and virtual sessions, is designed to support these employees through a career path journey. We also have a comprehensive talent-management review process to develop future leaders and ensure effective succession planning.

Individual contributors have **9,600 resources** available to them, which focus on job-specific training and other topics, such as productivity, collaboration and project management, and our managers are provided **over 39,000 resources** and tools to help them succeed in their roles.

Workplace Safety

We are committed to the safety of our employees and surrounding communities. Depending on the role, team members are required to pass and complete regular safety training courses and follow specific tower and site safety protocols, with the support of operational manuals. A key component of our culture is a strong commitment to incident reporting and corrective actions, as well as a comprehensive program for ensuring vendor compliance with safety standards and certifications. Our strict adherence to the rigorous standards set forth by the relevant government agencies and other authorities, such as the Telecommunications Infrastructure Registered Apprenticeship Program and Telecommunications Industry Association, is critical to ensuring our towers are structurally safe for field personnel, vendors, customers and communities. In 2022, our Chief Security Officer led the production of enhanced security standards to better protect our people and assets worldwide. These include global standards for the security of international travelers and personnel ground movements. We also implemented a traveler assistance program, which allows us to better monitor international travel and provide employees with relevant trip advice and 24/7 assistance services.

In 2022, our **Chief Security Officer** implemented several employee safety and security protocols, including the produ **enha** **stand** prote asset

SUPPORTING FEMALE LEADERS

RECOGNITIONS

Forbes' list of **America's Best Midsize Employers** in 2022

Newsweek's list of **America's Most Responsible Companies** in 2022 and 2023

Forbes' list of **Best Employers for Veterans** in 2022

Health and Wellness

We offer medical and parental leave benefits to full-time employees across all markets, with some local variation. As a result of the ongoing effects of the COVID-19 pandemic, we continue to conduct wellness check-ins and offer resources to support our employees' mental health and well-being, including access to a free Employee Assistance Program, which offers confidential assistance on a wide range of issues. We also offer market competitive benefits in all locations and, in 2022, continued our behavioral health benefit in the U.S. to support employees' mental well-being.

EMPLOYEE ENGAGEMENT

In 2022, our employees participated in several surveys related to the Company's sustainability efforts, our internal communications and how we measure up against our targeted values. We also solicited, and responded to, feedback from our employees regarding our return-to-office policies. Across the globe, most of our employees now work on a hybrid schedule.

Lockheed Martin 2023 Proxy Statement

Lockheed Martin included a 2-page highlights section with employee data by women, people of color, veteran status, and disability.

Our People Strategy

Human capital is a critical business asset at Lockheed Martin. Due to the specialized nature of our business, our performance depends on identifying, attracting, developing, motivating and retaining a highly skilled workforce in multiple areas, including engineering, science, manufacturing, information technology, cybersecurity, business development and strategy and management. Our human capital management strategy, which we refer to as our people strategy, is tightly aligned with our business needs and technology strategy.

During 2022, our human capital efforts were focused on continuing to accelerate the transformation of our technology for workforce management through investments in upgraded systems and processes, and continuing to increase our ability to meet the quickly changing needs of the business, all while maintaining a respectful, challenging, supportive and inclusive working environment. We use a variety of human capital measures in managing our business, including: workforce demographics; hiring metrics; talent management metrics, including retention rates of top talent; and diversity metrics with respect to representation, attrition, hiring, promotions and leadership.

Our people strategy focuses on three key priorities: Maximize Talent; Advance Technology; and Optimize Culture. In 2023 and beyond, we will continue to execute on the Lockheed Martin people strategy and its three strategic imperatives to accelerate transformation.

MAXIMIZE TALENT

- Acquire and Retain Top Diverse Talent at All Levels
- Elevate Technical Talent to Accelerate 21st Century Security Vision
- Increase Executive Successor Pipeline
- Deliver Agile Employee and Leader Development
- Develop and Deploy Competitive Total Rewards Solutions

ADVANCE TECHNOLOGY

- Modernize Human Capital Systems to Drive Process Efficiency
- Transform Secured Collaboration Tools and Facilities
- Increase Data Analytic Capability and Transparency
- Transform the Hiring and Enhance New Employee Experience

OPTIMIZE CULTURE

- Strengthen Inclusion, Engagement, Diversity and Belonging
- Evolving our culture to accelerate cross business segment collaboration and our business strategy
- Accelerate LMForward (a multi-faceted initiative for long-term work and facility solutions for the future)
- Cultivate Union and Represented Employee Engagement and Collaboration
- Leverage Multi-Media

Workforce Diversity and Inclusion

We view diversity and inclusion (D&I) as a business imperative that it is key
retain a diverse workforce and evolve our inclusive culture, we support a ro
and engagement programs, and maintain dedicated resources in all our Bus

We have focused our D&I initiatives on employee recruitment, including fir
Minority-Serving Institutions, employee training and development, such as
and employee engagement, including through participation in our employe
strategic enabler of our D&I strategy. They are voluntary, employee-led gro
workplace issues specific to racial/ethnic, gender, sexual orientation/gende
diverse and inclusive workplace aligned with our organizational mission, val
change within our organization. Our commitment to the BRGs is demonstra
investments in programming, and the formal policies and management we
our Board members have participated in our BRGs, including Mr. Dunford (
In addition, Mr. Taiclet engages with each BRG via their annual leadership f
comprised of the Company's most senior leaders, reinforces D&I strategies
supporting D&I within their business segment and key functions.

We also strive to be inclusive in our recruitment process by working to attract and create pathways for diverse talent by partnering with Minority-Serving Institutions, strengthening STEM pipelines and providing our recruiters with tools to recruit inclusively and equitably.

Through these and other focused efforts, we have improved the diversity of our overall U.S. workforce and within leadership positions, specifically in the representation of women, people of color and people with disabilities. Additionally, veteran representation in our workforce remains outstanding, at almost four times the current annual national percentage of veterans in the civilian workforce.

Employee Profile (as of December 31, 2022):

	Women[a]	People of Color[a]	Veterans[a]	People with Disabilities[a]
Overall	23%	30%	21%	11%
Executives[b]	25%	16%	21%	11%

[a] Based on employees who self-identify. Includes only U.S. employees and expatriates except for women, which also includes local country nationals. Excludes casual workers, interns/co-ops and employees of certain subsidiaries and joint ventures.

[b] Executive is defined as director-level (one level below vice president) or higher.

In addition to these diversity metrics, we publish our annual EEO-1 report data on our website and expect to continue to do so each year when available. Publication of our EEO-1 data increases transparency and demonstrates our responsiveness to investors.

Our 2022 diversity and inclusion achievements include:

RECRUITING TOP TALENT

- Continued improvement of workforce diversity, specifically in the representation of women and people of color, as compared to industry benchmarks
- Selected #1 among Top Supporters of Historically Black College & University Engineering Institutions for 8th consecutive year

FOSTERING AN INCLUSIVE WORKPLACE

- Became a signatory of the Disability:IN CEO Letter on Disability Inclusion
- Recognized as a Best Place to Work for LGBT Equality on the Human Rights Campaign's Corporate Equality Index for 13th consecutive year
- Selected #3 for Top 50 Employers in Women Engineer Magazine
- Ranked #5 on Forbes' Best Employers for Veterans List

SUPPORTING STEM EDUCATION

- Contributed nearly $19 million into nonprofit programs focused on STEM career readiness and access, particularly for those groups historically underrepresented in STEM disciplines
- Of these contributions, $2.4 million supported Minority-Serving Institutions to enhance student recruitment/retention and summer bridge programs and other computational science, cyber and engineering efforts

Board Oversight of People Strategy and Diversity and Inclusion

The Board of Directors is actively engaged in the oversight of human capital management and strategy. Our human capital management strategy, which we refer to as our people strategy, is tightly aligned with and enables achievement of our business strategy. There are various ways we measure progress toward the achievement of our human capital objectives. First, we regularly conduct an employee engagement survey to gauge employee satisfaction and to understand the effectiveness of our people strategy and assess employees' intent to continue their employment. The Board reviews these survey results. Additionally, the Senior Vice President and Chief Human Resources Officer updates the Board on the Company's people strategy on an annual basis, reporting on measures we use to manage our workforce, including workforce demographics, hiring metrics, talent management metrics, including retention rates of top talent, and diversity metrics with respect to representation, attrition, hiring, promotions and leadership. Talent management and workforce diversity and inclusion criteria are included in the strategic and operational performance commitments under management's annual incentive program. Board members also are active partners in the development of our workforce, engaging and spending time with our high-potential leaders at Board meetings and other events.

Judy Mayo

Communicating Director Value

The advent of the universal proxy card (UPC) has focused attention on more effectively communicating the value that a company's directors bring to the company and its shareholders. While showcasing nominee director skills and expertise and the effectiveness of the Board as a whole has been a best practice for quite some time, we expect that the ability of shareholders to mix and match activist and company nominees will drive significant enhancement of disclosure around nominee qualifications, the nomination process, and Board engagement.

We've seen augmented director disclosure in recent years, even prior to the advent of the UPC, and we expect this trend to accelerate. Below, we present recent disclosures across several topics relating to the strength and value of the incumbent Board and director nominees.

Comprehensive Director Nomination Process

Companies are providing more disclosure about the interconnection of various processes by which nominees are identified and evaluated. This holistic disclosure helps show that each nominee, incumbent or new, appears on the ballot as the result of a rigorous and intentional series of decisions designed to seat the optimal Board.

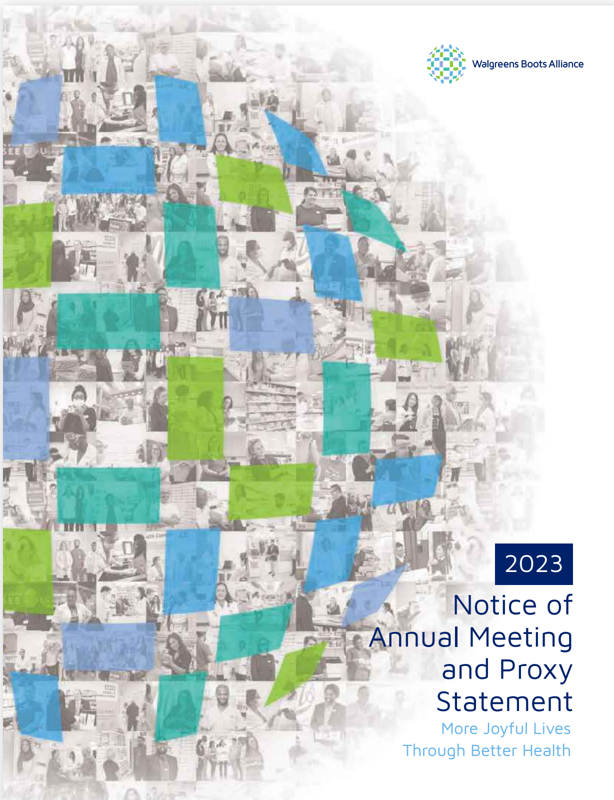
Benchmark Findings

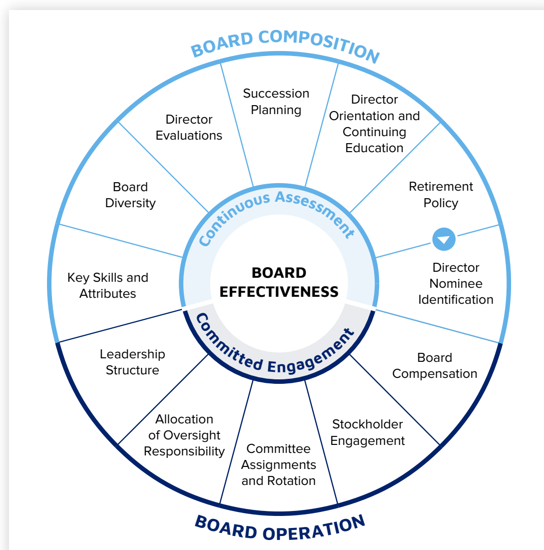
31.2%

The Board nomination or refreshment process is depicted in a graphic or using other visual elements

Walgreens Boots Alliance 2023 Proxy Statement

Walgreens Boots Alliance shows comprehensive interconnected processes that lead to the selection of director nominees.

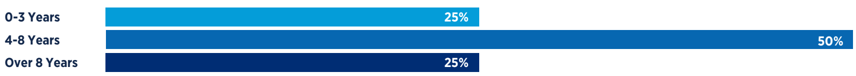




Chevron 2023 Proxy Statement

Chevron shows continuous history of refreshment, with rationale for director and committee leadership changes.

Director tenure ranges



Refreshed board composition and leadership

67% of Directors elected in the past five years are diverse

50% of Committees chaired by women

50% of Committees chaired by racially/ethnically diverse Directors

75% of Committees chaired by diverse Directors

	Date of change	Director	Position	Gender or racial/ ethnic diversity	Primary reason for nomination/departure
Board composition changes					
—	May 2023	**Ronald D. Sugar**	Director		Mandatory Director Retirement Policy
+	June 2022	**Cynthia J. Warner**	Director	•	Depth of experience across both the traditional and renewable energy sectors
+	January 2021	**Marillyn A. Hewson**	Director	•	Valuable global business experience as well as experience with international commerce and geopolitics
+	September 2020	**Jon M. Huntsman Jr.**	Director		Strong international and public policy experience, knowledge of Chevron's business, and leadership experience
—	January 2020	**Inge G. Thulin**	Director		Time and logistics conflict
Board and committee leadership changes					
+	May 2022	**Wanda M. Austin**	Lead Director	•	Thoughtful leadership and contributions in a variety of roles, including as chair of the Governance Committee and as former chair of the Public Policy and Sustainability Committee
—	May 2022	**Ronald D. Sugar**	Lead Director		Board Succession Planning
+	May 2021	**Debra Reed-Klages**	Audit Committee Chair	•	Committee Chair Rotation
+	May 2021	**Wanda M. Austin**	Board Nominating and Governance Committee Chair	•	Committee Chair Rotation
+	May 2021	**Charles W. Moorman**	Management Compensation Committee Chair		Committee Chair Rotation
+	May 2021	**Enrique Hernandez, Jr.**	Public Policy and Sustainability Committee Chair	•	Committee Chair Rotation
—	May 2021	**Charles W. Moorman**	Audit Committee Chair		Committee Chair Rotation
—	May 2021	**Ronald D. Sugar**	Board Nominating and Governance Committee Chair		Committee Chair Rotation
—	May 2021	**Enrique Hernandez, Jr.**	Management Compensation Committee Chair	•	Committee Chair Rotation
—	May 2021	**Wanda M. Austin**	Public Policy and Sustainability Committee Chair	•	Committee Chair Rotation

Walmart 2023 Proxy Statement

Walmart shows rigor in evaluating incumbents.

Board Evaluations

The Board is committed to using its annual Board evaluation process as an important tool for promoting effectiveness and continuous improvement. In fiscal 2023, the process was conducted under the leadership of the Lead Independent Director. From time to time, the Board has engaged a third-party consulting firm to lead the evaluation process in order to bring an outside perspective.

Our board evaluation process

1 Questionnaires

Each director completes a detailed questionnaire.

Topics covered include, among others:

- The effectiveness of the Board's leadership structure and the Board committee structure;
- Board and committee skills, composition, diversity, and succession planning;
- Board culture and dynamics, including the effectiveness of discussion and debate at Board and committee meetings;
- The quality of Board and committee agendas and the appropriateness of Board and committee priorities; and
- Board/management dynamics, including management development and succession planning and the quality of management presentations and information provided to the Board and committees.

2 Action Items

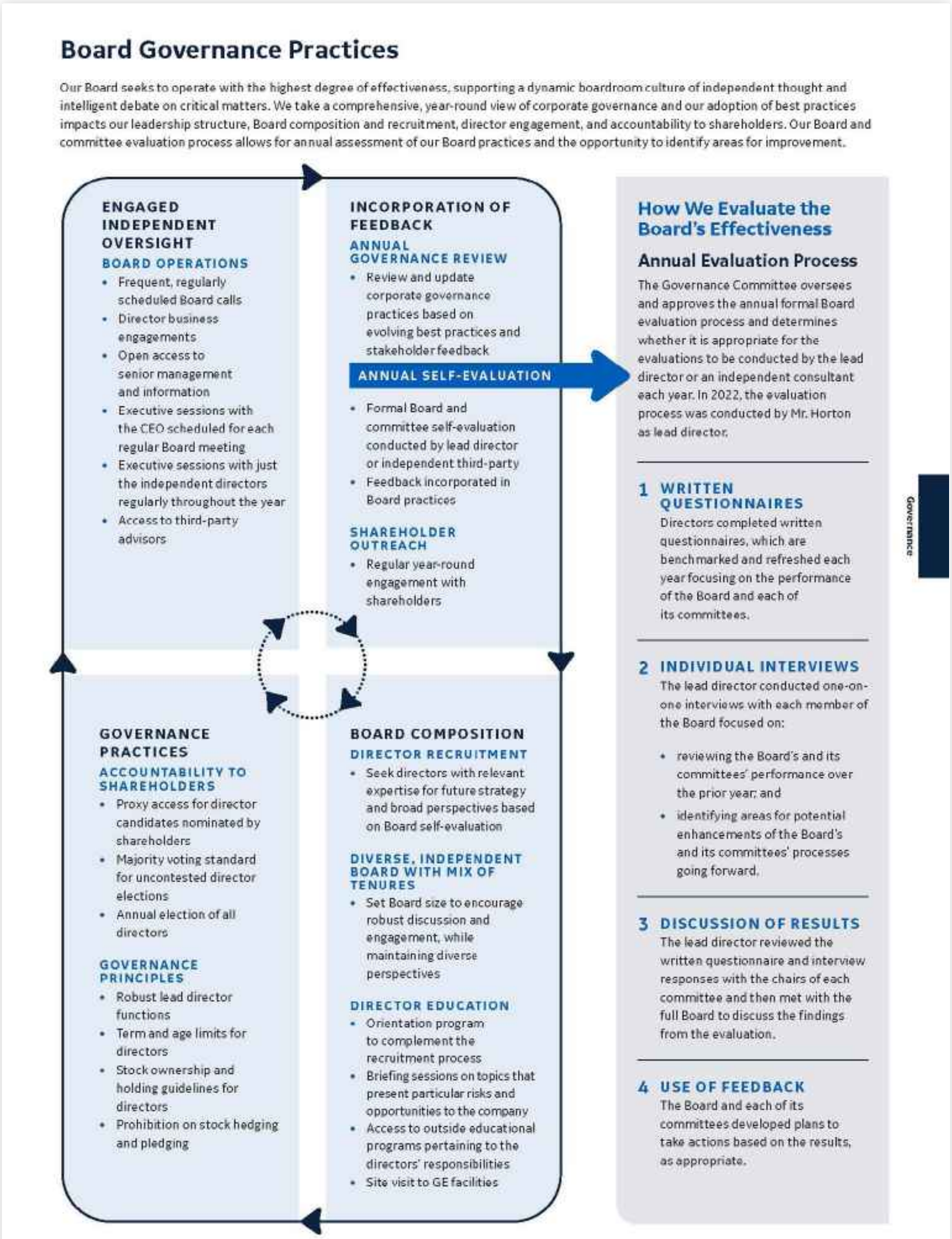
These evaluations have consistently found that the Board and Board committees are operating effectively.

Over the past several years, this evaluation process has contributed to various refinements in the way the Board and Board committees operate, including:

- Reducing the size of the Board to promote engagement and input into our strategic decision-making;
- Changing the Board committee structure to create a separate Compensation and Management Development Committee and a Nominating and Governance Committee;
- Changing committee assignments so that Independent Directors generally sit on one "strategy" committee and one "governance" committee;
- Ensuring that Board and committee agendas are appropriately focused on strategic priorities and provide adequate time for director input;
- Assigning additional responsibilities for our Lead Independent Director, including active participation in the agenda-setting process for the Board and Board committees; and
- Increasing focus on continuous Board succession planning and refreshment, including developing and maintaining a long-term director candidate pipeline.

General Electric 2023 Proxy Statement

GE shows how the incumbent Board is an effective steward of shareholder interests.



Board Governance Practices

Our Board seeks to operate with the highest degree of effectiveness, supporting a dynamic boardroom culture of independent thought and intelligent debate on critical matters. We take a comprehensive, year-round view of corporate governance and our adoption of best practices impacts our leadership structure, Board composition and recruitment, director engagement, and accountability to shareholders. Our Board and committee evaluation process allows for annual assessment of our Board practices and the opportunity to identify areas for improvement.

ENGAGED INDEPENDENT OVERSIGHT

BOARD OPERATIONS
- Frequent, regularly scheduled Board calls
- Director business engagements
- Open access to senior management and information
- Executive sessions with the CEO scheduled for each regular Board meeting
- Executive sessions with just the independent directors regularly throughout the year
- Access to third-party advisors

INCORPORATION OF FEEDBACK

ANNUAL GOVERNANCE REVIEW
- Review and update corporate governance practices based on evolving best practices and stakeholder feedback

ANNUAL SELF-EVALUATION
- Formal Board and committee self-evaluation conducted by lead director or independent third-party
- Feedback incorporated in Board practices

SHAREHOLDER OUTREACH
- Regular year-round engagement with shareholders

GOVERNANCE PRACTICES

ACCOUNTABILITY TO SHAREHOLDERS
- Proxy access for director candidates nominated by shareholders
- Majority voting standard for uncontested director elections
- Annual election of all directors

GOVERNANCE PRINCIPLES
- Robust lead director functions
- Term and age limits for directors
- Stock ownership and holding guidelines for directors
- Prohibition on stock hedging and pledging

BOARD COMPOSITION

DIRECTOR RECRUITMENT
- Seek directors with relevant expertise for future strategy and broad perspectives based on Board self-evaluation

DIVERSE, INDEPENDENT BOARD WITH MIX OF TENURES
- Set Board size to encourage robust discussion and engagement, while maintaining diverse perspectives

DIRECTOR EDUCATION
- Orientation program to complement the recruitment process
- Briefing sessions on topics that present particular risks and opportunities to the company
- Access to outside educational programs pertaining to the directors' responsibilities
- Site visit to GE facilities

How We Evaluate the Board's Effectiveness

Annual Evaluation Process

The Governance Committee oversees and approves the annual formal Board evaluation process and determines whether it is appropriate for the evaluations to be conducted by the lead director or an independent consultant each year. In 2022, the evaluation process was conducted by Mr. Horton as lead director.

1 WRITTEN QUESTIONNAIRES
Directors completed written questionnaires, which are benchmarked and refreshed each year focusing on the performance of the Board and each of its committees.

2 INDIVIDUAL INTERVIEWS
The lead director conducted one-on-one interviews with each member of the Board focused on:
- reviewing the Board's and its committees' performance over the prior year; and
- identifying areas for potential enhancements of the Board's and its committees' processes going forward.

3 DISCUSSION OF RESULTS
The lead director reviewed the written questionnaire and interview responses with the chairs of each committee and then met with the full Board to discuss the findings from the evaluation.

4 USE OF FEEDBACK
The Board and each of its committees developed plans to take actions based on the results, as appropriate.

Governance

Link Skills to Strategy

Linking director skills to company strategy shows relevance of skills in supporting the company's strategy currently and going forward.

Benchmark Findings

30.4%
The relevance of each Board skill and its link to company strategy is explained

74.4%
Board skills are presented in a matrix or table indicating the skills held by each individual director

41.2%
Board skills are presented in a matrix, table, graphics or using other visual elements indicating the skills held by the Board in the aggregate

10.8%
The aggregate information is combined with the individualized skills matrix

36.0%
Human Capital Management is defined as a Board skill/expertise

40.4%
Cybersecurity is defined as a Board skill/expertise

42.4%
ESG /environment /sustainability is defined as a Board skill/expertise

Director Qualifications

Director skills and experience support our business strategy

We have deep experience on our Board covering all components of our business model. The Board believes a balance of perspectives from other industries is critical to well-rounded oversight and insight into our customers' perspectives.

BUSINESS STRATEGY	DIRECTOR EXPERIENCE SUPPORTING OUR BUSINESS	FINANCIAL RESULTS[1]
Global presence in the heart of the world's most vibrant and active consumption centers results in outperformance	82% of our directors have global management experience	**Strong long-term performance** 23.4% earnings per share CAGR and 11.7% Core FFO per share CAGR,[2] 1,566 bps and 428 bps above the Large-Cap REIT Group average
Scale drives efficiency	100% of our directors have large scale company executive management experience	**Significant and durable growth** 306% AUM growth while G&A[3] as a percentage of AUM decreased
Development enhances the bottom line	55% of our directors have real estate and logistics experience	**Building an irreplaceable portfolio** $7.9B in value created by our development business[4]
Strategic Capital boosts growth through fees and Promotes	100% of our directors have investment and/or finance experience	**A high return business** $4.1B delivered in strategic capital fees and Promotes
Essentials, our platform offering logistics solutions, services and products, provides new revenue streams and strengthens customer relationships	36% of our directors have experience with customer products, services and solutions	**Additional earnings opportunities** Total Essentials contracted sales grew by 150% from 2021 to 2022

(1) Over ten-year period 2013-2022, unless noted otherwise.

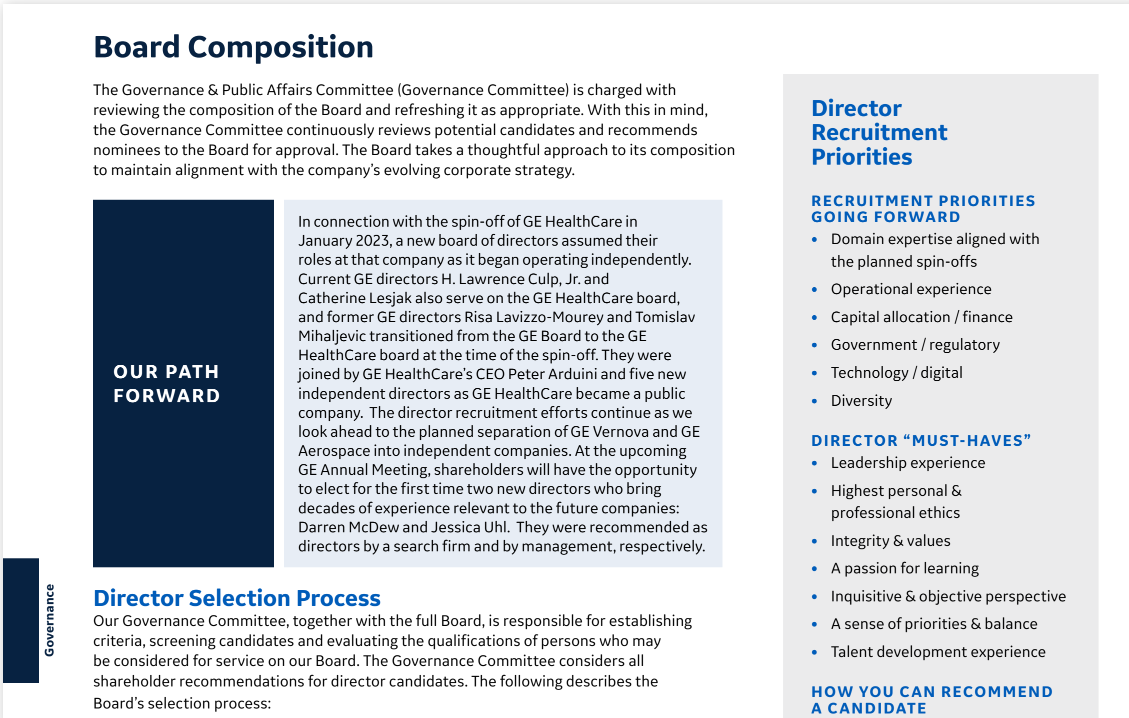
(2) Our global platform outperformed the average of the "Large-Cap REIT Group" in net earnings per share and Core FFO per share CAGR by 1,566 bps and 428 bps, respectively, over the last ten years. The average rates for the Large-Cap REIT Group are weighted by market capitalization. See footnotes to page 48 for further detail on the calculation of the Large-Cap REIT Group average. Core FFO per share is a non-GAAP measure. Please see Appendix A for a discussion and reconciliation to the most directly comparable GAAP measure and a calculation of the CAGR of our Core FFO per share. See footnote 3 on page 48 for further detail regarding our net earnings per share CAGR calculation.

(3) "G&A" are our general and administrative expenses.

(4) Value created over our total expected investment through development and leasing activities based on current projections. Please see Appendix A for further detail regarding how we calculate "Value creation." Development value creation is calculated across our owned and managed portfolio.

General Electric 2023 Proxy Statement

GE shows focus on refreshing skills as company strategy is evolving.



Board Composition

The Governance & Public Affairs Committee (Governance Committee) is charged with reviewing the composition of the Board and refreshing it as appropriate. With this in mind, the Governance Committee continuously reviews potential candidates and recommends nominees to the Board for approval. The Board takes a thoughtful approach to its composition to maintain alignment with the company's evolving corporate strategy.

OUR PATH FORWARD

In connection with the spin-off of GE HealthCare in January 2023, a new board of directors assumed their roles at that company as it began operating independently. Current GE directors H. Lawrence Culp, Jr. and Catherine Lesjak also serve on the GE HealthCare board, and former GE directors Risa Lavizzo-Mourey and Tomislav Mihaljevic transitioned from the GE Board to the GE HealthCare board at the time of the spin-off. They were joined by GE HealthCare's CEO Peter Arduini and five new independent directors as GE HealthCare became a public company. The director recruitment efforts continue as we look ahead to the planned separation of GE Vernova and GE Aerospace into independent companies. At the upcoming GE Annual Meeting, shareholders will have the opportunity to elect for the first time two new directors who bring decades of experience relevant to the future companies: Darren McDew and Jessica Uhl. They were recommended as directors by a search firm and by management, respectively.

Director Selection Process

Our Governance Committee, together with the full Board, is responsible for establishing criteria, screening candidates and evaluating the qualifications of persons who may be considered for service on our Board. The Governance Committee considers all shareholder recommendations for director candidates. The following describes the Board's selection process:

Governance

Director Recruitment Priorities

RECRUITMENT PRIORITIES GOING FORWARD

- Domain expertise aligned with the planned spin-offs
- Operational experience
- Capital allocation / finance
- Government / regulatory
- Technology / digital
- Diversity

DIRECTOR "MUST-HAVES"

- Leadership experience
- Highest personal & professional ethics
- Integrity & values
- A passion for learning
- Inquisitive & objective perspective
- A sense of priorities & balance
- Talent development experience

HOW YOU CAN RECOMMEND A CANDIDATE

Highlight Relevance of Director Skills

Director biographies are increasingly explicit about how a director's skills and expertise advance the strategy and growth of the company.

Benchmark Findings

21.2%
The director biographies include skills/qualifications in bullet format, with description/discussion

18.8%
The director biographies include skills/qualifications in bullet format, without description/discussion

5.6%
The director biographies include skills/applicable to committee membership

Age 70

Director Since
April 2020

Independent

Board Positions
Board Chair

Finance Committee (Chair)

Human Resources Committee

Other Current Public Company Directorships
Nasdaq, Inc. (global technology company) *(management compensation committee chair; nominating & ESG committee)*

Prior Public Company Directorships
The Bank of New York Mellon Corporation

Steven D. Black

Former Co-CEO, Bregal Investments, Inc., an international private equity firm (September 2012 – December 2021)

Skills

- Financial Services
- Risk Management
- Regulatory
- Strategic Planning, Business Development & Operations
- Human Capital Management
- Corporate Governance
- International

Mr. Black has extensive **international strategic planning** and **business operations** experience with financial institutions, such as JPMorgan, Citigroup, and Bank of New York Mellon. He acquired this experience during his 45-year career in the investment banking and private equity industries. While at these institutions, he held senior executive leadership positions, and in connection with his leadership roles at these institutions, he also gained deep insights into **regulatory** matters and developed critical experience in **human capital management** issues. Mr. Black's executive leadership roles with large global financial services companies and his service as a board member of Nasdaq, Inc., and as a former board member of The Bank of New York Mellon Corporation, also provide him with **corporate governance** experience in the **financial services** industry that is relevant to our Company.

Mr. Black has more than 40 years of significant **risk management** experience with financial institutions, particularly in the areas of wholesale/institutional banking and wealth management – segments that are key to our business. His prior experience and leadership handling risk management, including cybersecurity, at these financial institutions, as well as his other public company board service, provides him with the ability to effectively lead the Board in overseeing the risks our Company faces.

Prior Experience

- Vice Chair, JPMorgan, a global financial services company (2010 – 2011)
- Executive Chair, JPMorgan's investment bank (2009 – 2010)
- Co-CEO, JPMorgan's investment bank (2004 – 2009)
- Deputy Co-CEO, JPMorgan's investment bank (2003 – 2004)
- Head of JPMorgan investment bank's Global Equities business (2000 – 2003)
- Various leadership roles, Citigroup, a global financial services company, and its predecessor firms (pre-2000)

Verizon 2023 Proxy Statement

Verizon shows how the board as a whole possesses skills/expertise that enable it to effectively oversee a critical topic.

What ESG skills and experience do our Directors bring to the boardroom?

ESG is increasingly incorporated into strategic and operational decision-making at Verizon. Each of our Directors has skills and experience in one or more aspects of ESG, including:

- business ethics and compliance;
- corporate social responsibility;
- cybersecurity, data protection and privacy;
- diversity, equity and inclusion;
- environmental sustainability, including renewable energy;
- governance;
- network reliability and resilience;
- regulatory and public policy trends;
- risk management; and
- talent attraction, retention and development.

Walmart 2023 Proxy Statement

Walmart shows how committee members have skills relevant for committee service.

- Reviews the preliminary annual financial plan and annual capital plan to be approved by the Board, as well as the company's capital structure and capital expenditures

Technology and eCommerce Committee

2 MEETINGS DURING FISCAL 2023

4 MEMBERS

Steuart Walton, Chair
Cesar Conde
Tim Flynn
Marissa Mayer

All four members have global or **international business experience**

Three members have **technology or eCommerce experience**

All four members have **senior leadership experience**

Three members have **marketing or brand management experience**

One member has **finance, accounting, or financial reporting experience**

Two members have **regulatory, legal, or risk management experience**

Primary Responsibilities

- Reviews and provides guidance on the company's eCommerce, omni-channel, and digital businesses in key markets and in ways that weave together the company's unique physical and digital assets and capabilities; development and uses of technology; modernization and ongoing evolution of the company's technology infrastructure; adoption of effective ways of working; data assets, capabilities, and data use cases for commercial purposes; and measurement and tracking of key metrics related to the company's omni-channel digital enterprise
- Reviews and provides guidance regarding trends relevant to an omni-channel digital enterprise

Emphasize Board Engagement

Disclosure around Board engagement shows that directors work together to guide senior leadership and oversee strategic efforts.

Benchmark Findings

9.6%

The company includes a “beyond the boardroom” or “other activities section”

Goldman Sachs 2023 Proxy Statement

Goldman Sachs highlights magnitude of internal engagement.

Commitment of our Directors—Beyond the Boardroom

Engagement beyond the boardroom provides our directors with additional insights into our businesses, risk management and industry, as well as valuable perspectives on the performance of our firm, our CEO and other members of senior management.

The commitment of our directors extends well beyond preparation for, and attendance at, regular and special meetings.

Ongoing Collaboration	Stakeholder Engagement	Regularly Informed
Frequent interactions with each other, senior management and key employees around the globe on topics including strategy, performance, risk management, culture and talent development	Regular engagement with key stakeholders, including regulators and our shareholders. Participation in firm and industry conferences and other events on behalf of the Board	Receive and review postings on significant developments and weekly informational packages that include updates on recent developments, press coverage and current events that relate to our business, our people and our industry

Our Lead Director and Committee Chairs provide additional independent leadership outside the boardroom.

- For example, each Chair sets the agenda for his or her respective Committee meetings and reviews and provides feedback on the form and type of related materials, in each case taking into account whether his or her Committee is appropriately carrying out its core responsibilities and focusing on the key issues facing the firm, as may be applicable from time to time. To do so, each Chair engages with key members of management and subject matter experts in advance of each Committee meeting.
- In addition, our Lead Director also sets the Board agenda (working with our Chairman) and approves the form and type of related materials. Our Lead Director also approves the schedule of Board and Committee meetings, taking into account whether there is sufficient time for discussion of all agenda items at each Board and Committee meeting.

In carrying out their leadership roles during 2022:

Lead Director / Governance Chair
Adebayo Ogunlesi

Over 65 meetings

Committee Chairs
Audit – Peter Oppenheimer
*Compensation – Michele Burns or Mark Winkelman**
Public Responsibilities – Ellen Kullman
*Risk – Mark Winkelman or David Viniar**

Over 140 meetings

Includes meetings with, as applicable:
CEO, COO, CFO, Secretary to the Board, CLO and General Counsel, CRO, Director of Internal Audit and Other Key Internal Audit Employees, Chief Accounting Officer, Chief Compliance Officer, Global Head of HCM, Director of Investor Relations, Global Head of Reward and People Analytics, Chief Information Security Officer, Chief Information Officer, Global Head of Marketing, Shareholders, Regulators, Independent Compensation Consultants, Director Search Firm, Independent Auditors

* Changes to Compensation and Risk Committee Chairs effective October 2022.

General Electric 2023 Proxy Statement

GE shows magnitude of engagement "beyond the boardroom."

The GE Board in Action: 2022 Highlights

Our Board recognizes that its oversight of our strategic priorities and responsibility to GE shareholders requires a personal and professional commitment that extends well beyond regularly scheduled Board meetings. Ongoing and meaningful engagement with the business is critical to staying informed and provides the type of insight that allows our directors to provide effective guidance to our leadership team and to engage in constructive dialogue with each other.

ENGAGEMENT WITH SHAREHOLDERS

Governance Discussions
Engagement with shareholders included Thomas Horton (lead director)

DIRECTOR EDUCATION

Ongoing Functional Deep Dives
Periodic sessions with insurance and legal teams

Kaizen Events
Participation in education sessions on Lean fundamentals and other lean events

New Director Orientation
Full orientation program for new directors

ENGAGEMENT WITH THE BUSINESSES

Regular Board Calls
Provide an opportunity for the CEO and the rest of the Board to discuss company operations in real-time

Quarterly Senior Leadership Meetings
Director attendance and presentations

Business Visits and Functional Deep Dives
Provide opportunity for direct employee interaction and better understanding of GE culture

BUSINESS AND STRATEGY REVIEW SESSIONS
- Director participation at strategy sessions for GE Aerospace (September)
- Director participation at strategy reviews for GE Vernova (October)

SITE VISITS BY DIRECTORS
- GE Global Research Center in Niskayuna, NY
- GE Gas Power in Schenectady, NY
- GE Gas Power in Greenville, SC
- GE Aerospace in Evendale, OH
- GE HealthCare in Waukesha, WI

GE LEADERSHIP MEETINGS
- Director participation in quarterly leadership meetings for top ~900 company executives

Regular calls with CEO

Substantiate Engagement of Directors with Multiple Other Commitments

For directors that may be viewed as overboarded, companies are providing explanations as to how the director devotes sufficient and effective attention to his/her duties as director even with external commitments.

Cardinal Health 2023 Proxy Statement

Additional Board Service

Directors are expected to commit sufficient time and attention to the activities of the Board. In accordance with our Corporate Governance Guidelines, except as approved by the Board:

- directors who serve as executive officers of a public company, including Cardinal Health, should not serve on more than one outside public company board; and
- other directors should not serve on more than three public company boards in addition to our Board.

Directors must advise the Chairman of the Board, the Chair of the Governance and Sustainability Committee, and the Corporate Secretary in advance of accepting an invitation to serve on another board.

In August 2022, the Governance and Sustainability Committee approved amendments to the Corporate Governance Guidelines that formalized an annual review of director capacity and outside public company board commitments. In this annual review, the Governance and Sustainability Committee may consider all factors it deems to be relevant, including the following:

- meeting attendance;
- whether the director is currently employed or retired from full-time employment;
- the number of other boards of which the director is a member, and the commitment levels and time demands of such other boards;
- the role of a director on other boards (with consideration given to public company board leadership positions);
- any industry or other commonalities between outside boards that aid in the director's efficiencies serving on such boards;
- any other outside commitments;
- individual contributions at our Board and committee meetings;
- peer review feedback from directors throughout the year (if any) and the results of the annual Board evaluation; and
- the director's general engagement, effectiveness, and preparedness.

The Governance and Sustainability Committee conducted a review of director capacity for our 2023 director nominees and affirms that they are compliant with our outside board commitments policy.

Lois Yurow

Board Oversight

Corporate Boards are responsible for overseeing—not managing—company management and operations. In recent years, this seemingly straightforward mandate has become rather broad. Investors and proxy advisors (and often regulators and stock exchanges) now expect corporate Boards to supervise a range of matters, including strategy, corporate culture and purpose, climate, human capital management, and cybersecurity.

There are few formal requirements for disclosure about Board oversight. New SEC rules require disclosure about oversight of cybersecurity-related risks in the Form 10-K, and pending rules, if adopted as proposed, will require disclosure about oversight and governance of climate-related risks in the 10-K as well. The only oversight disclosure requirement that is specific to the proxy statement goes to "the extent of the Board's role in the [company's] risk oversight." Nevertheless, for companies that want to show they are responsive to investor interest, the proxy statement has become the accepted place to volunteer information about the Board's oversight activities.

Benchmark Findings

In addition to providing the required disclosure about risk oversight, companies used their proxy statements to discuss Board oversight of the following discrete topics:

50.0%
Strategy

56.8%
Information security, cybersecurity, or data privacy risks

57.6%
Management succession planning

46.0%
Human capital management

82.8%
ESG

In some cases, these issues are framed as "risks," and discussed under the umbrella of risk oversight. Just as often they are treated as independent topics of discussion. There is no definitively right or wrong place to locate the disclosure. The key is to be informative. In particular, investors want to understand who is responsible for each issue you address and how (and how often) the Board receives information about the issue.

Examples

The following examples show how companies disclose oversight of matters other than risk.

Occidental Petroleum 2023 Proxy Statement

In less than two pages, Occidental Petroleum covers four topics (cyber, HCM, sustainability, and strategy), succinctly explaining which committees have oversight responsibility and who at the management level has day-to-day responsibility. Occidental also discloses how often each issue is discussed and summarizes the most recent actions.

Corporate Governance

OVERSIGHT OF CYBER SECURITY

The Board recognizes the importance of monitoring cyber risk. At the management level, the company has a dedicated Chief Information Officer (CIO) who, along with his team, is responsible for the Information Technology (IT) organization and the strategy and deployment of IT across Occidental's worldwide oil and gas, midstream, chemicals and corporate operations. The CIO briefs the Audit Committee on a quarterly basis on the cyber security program, events and the state of cyber security. Beginning in 2022 at the then-Chairman's request, the Board also annually reviews the company's cyber security program. In July 2022, the CIO briefed the full Board on the cyber warfare landscape, Occidental's cyber risk management strategy and cyber security framework and external scoring and statistics, among other things. A representative from Secureworks also presented to the Board on its independent National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) maturity assessment of Occidental's cyber security posture and program.

In addition to the above, Occidental's cyber security practices are reviewed as part of our standard general IT controls. Industrial Control Systems (ICS) Cybersecurity has also been incorporated into Occidental's ERM program.

OVERSIGHT OF HUMAN CAPITAL AND CULTURE

The Board understands the importance of attracting, retaining and motivating top talent at all levels within the company, and that Occidental's commitment to diversity, inclusion and belonging (DIB) is a key part of doing so. At the management level, the company has a dedicated Vice President of Diversity and Inclusion who, along with her team, is responsible for providing strategic diversity and inclusion expertise and support to business leaders and executives. The DIB Advisory Board, which is chaired by Occidental's President and CEO and includes members of senior leadership, provides DIB governance and oversight to ensure that Occidental's integrated DIB strategy is executed and aligns with the company's mission, vision and strategic objectives. The DIB Ambassador Committee, which is chaired by Occidental's Vice President of Diversity and Inclusion, consists of a diverse group of employee representatives from all business segments, domestic and international. The full Board discusses senior management succession planning at least annually. Most recently, in February 2023, the Vice President of HR Strategy and Services presented to the Sustainability and Shareholder Engagement Committee on the company's HR strategy priorities for 2023 and reviewed employee diversity statistics.

OVERSIGHT OF HSE & SUSTAINABILITY

The Board oversees environmental, health, safety and sustainability matters, including those with respect to climate change, as an integral part of its oversight of Occidental's strategy and key risks. These matters are inherent to the company's strategic plans and, accordingly, are incorporated into regular Board meetings as well as the Board's annual in-depth strategic review session.

In addition, the Board's committee structure is designed to provide the Board and its committees with the appropriate oversight of relevant environmental, health and safety matters. The Environmental, Health and Safety Committee oversees and reviews the status of environmental, health and safety issues, including compliance with applicable laws and regulations. It also reviews results of internal compliance reviews and remediation projects, among other things.

The Board's committee structure is also designed to provide the Board and its committees with the appropriate oversight of relevant sustainability matters. The Sustainability and Shareholder Engagement Committee provides close oversight of key sustainability and social responsibility issues, including shareh
monitors climate-related public policy trends and related regulato
programs, policies and practices, including the Human Rights Poli
and sustainability matters, including climate-related risks and opp
2022 to discuss Occidental's GHG emissions and associated repo
the Board approved updates to the company's longstanding Healt
HSE and Sustainability Principles) that management recommende
and other stakeholders. Both committees report to the full Board

30

Strategy Oversight

The Board and its committees provide strategic guidance to management and oversight of Occidental's business strategy throughout the year. This includes a dedicated discussion of significant risks, opportunities and strategies at the Board's annual strategic planning meeting, which allows for an in-depth annual assessment of the key risks and opportunities facing Occidental. In particular, while Occidental's low-carbon ventures and carbon management platform is a topic that is a focus for the full Board throughout the year, it has also been a key topic of our annual strategic planning meeting in recent years. The strategic planning meeting also affords the Board the opportunity to meet with expanded members of management, including internal subject-matter experts. At the 2022 strategic planning meeting, the Board focused particularly on the company's assets and enabling technologies, as well as associated challenges and opportunities. In addition, various elements of strategy are discussed at every Board meeting, as well as at many meetings of the Board's committees.

Lowe's 2023 Proxy Statement

Lowe's treats cybersecurity and data protection as a subset of risk oversight, but several other topics (strategy, HCM, environmental & social, and political advocacy) are covered independently. In each instance the company explains where the primary oversight and management responsibilities reside. In the discussion of strategy oversight, Lowe's explains how the board views a host of issues—including risk management, HCM, and ESG—through the lens of strategy.

LOWE'S

2023

Notice of Annual Meeting of Shareholders & Proxy Statement

Board's Role in Corporate Strategy

Our Board is actively involved in overseeing, reviewing and guiding our corporate strategy. Our Board formally reviews our Company's business strategy, including the risks and opportunities facing the Company and its portfolio, at an annual strategic planning session. In addition, long-range strategic issues, including the performance and strategic fit of our businesses, are discussed as a matter of course at Board meetings. Our Board regularly discusses corporate strategy throughout the year with management formally as well as informally and during executive sessions of the Board as appropriate. As discussed in "Board's Role in Risk Oversight" below, our Board views risk management and oversight as an integral part of our strategic planning process, including mapping key risks to our corporate strategy and seeking to manage and mitigate risk. Our Board also views its own composition as a critical component to effective strategic oversight. Accordingly, our Board and relevant Board committees consider our business strategy and the Company's regulatory, geographic and market environments when assessing Board composition, director succession, executive compensation, human capital management, diversity and inclusion, environmental and social issues and other matters of importance.

Cybersecurity and Data Protection Risk Oversight

Securing the information of our customers, associates, vendors and other third parties is important to us. We have adopted physical, technological and administrative controls on data security, and have a defined procedure for data incident detection, containment and response elevation, coordination and remediation. We require data privacy and security awareness training to be completed by associates annually and during onboarding by contractors. On an annual basis, we conduct risk assessments and compliance audits, both internally and by independent third parties, against standards including the National Institute of Standards and Technology security framework ("NIST") and Payment Card Industry Data Security Standards ("PCI DSS"), and regularly benchmark and evaluate program maturity with industry leaders. We also maintain information security risk insurance coverage. While everyone at Lowe's plays a part in managing these risks, our Chief Digital and Information Officer, our Chief Information Security Officer and senior members of our information security and privacy teams are responsible for identifying and managing risk related to these topics.

Board's Role in Human Capital Management

The Board views effective human capital management as key to the Company's ability to execute its long-term strategy. As a result, the full Board oversees and regularly engages with our Chairman, President and Chief Executive Officer, our Executive Vice President, Human Resources and senior leadership on a broad range of human capital management topics, including culture, talent management and succession planning, compensation and benefits, diversity and inclusion and feedback gathered from the Company's annual associate engagement survey. The full Board reviews talent management topics as standing agenda items, including CEO and senior management succession planning, diversity and inclusion and culture.

Board's Role in Environmental and Social Issues

The Board views oversight and effective management of environmental and social issues and their related risks as important to the Company's ability to execute its strategy and achieve long-term sustainable growth. In addition to oversight by the full Board, the Board has also delegated primary responsibility for more frequent and in-depth oversight of the Company's environmental and social strategy to the Sustainability Committee. The Sustainability Committee of the Board receives regular updates on environmental and social topics from our Vice President, Corporate Sustainability. The Board also coordinates with its other committees to provide active Board- and committee-level oversight of the Company's management of environmental and social related risks across the relevant committees.

Board's Role in Oversight of Political Advocacy

The Nominating and Governance Committee has oversight of Lowe's political advocacy activities, including political contributions, trade association memberships, lobbying priorities and the Lowe's Companies, Inc. Political Action Committee ("LOWPAC"). As part of its oversight role, the Committee reviews our political engagement and contributions policy and monitors our ongoing political strategy as it relates to the overall public policy objectives for the Company. Lowe's generally does not make contributions from corporate funds to political campaigns, super political action committees or political parties. Political contributions made by LOWPAC are approved by its advisory board, which consists of members of management across corporate and operational roles. All political advocacy is conducted to promote the interests of the Company and is made without regard for the private political preferences of Lowe's directors or executives. For the third year in a row, in 2022, we ranked in the First Tier of the CPA-Zicklin Index, an annual assessment which benchmarks political disclosure and accountability policies and practices for election-related spending of leading U.S. public companies.

Goldman Sachs 2023 Proxy Statement

Goldman Sachs goes into more depth than most other companies and addresses some topics—such as CEO performance and financial reporting—that other companies do not.

Board Oversight of our Firm

Key Areas of Board Oversight

Our Board is responsible for, and committed to, the oversight of t
this responsibility, our Board, working with and through its Comm
updates on a wide variety of matters affecting our firm.

Our reputation is a core consideration, as is our culture, as our Bo
success for our clients and our communities in order to create lon

Strategy | CEO performance | Financial performance & reporting | Risk management | Executive succession planning

Consideration of our Reputation Underscores

Strategy

- Our Board oversees and provides advice and guidance to ser implementation of the firm's strategic plans, including the de management team.
  - » This occurs year-round through presentations and discussi strategy, business planning and growth initiatives, both dur
  - » Our Board's focus on overseeing risk management enhance feedback to senior management and, if necessary, challeng implementation of the firm's strategic direction.
  - » Our Lead Director helps facilitate our Board's oversight of s independent directors during executive sessions, as neede
- Throughout 2022, our Board engaged on an ongoing basis w members of senior management and the control side, on ma long-term strategy and progress towards our financial target
  - » This took various forms, ranging from high-level discussion new business initiatives and progress on the key performar financial targets and inform consideration of our performa Performance Assessment Framework, as well as organic an
    - – In particular, during 2022 our Board engaged with senior evolution of the firm's strategic journey, including the de operating segments, as announced in October 2022 and
  - » Discussions are focused on the quality and diversity of our long-term value creation for our shareholders, and unders culture and reputation.
- Our Board will continue to receive regular updates from, and the firm's strategy.

CEO Performance

- Under the direction of our Lead Director, our Governance Committee annually evaluates CEO performance.
- Process includes a review of the results of the CEO assessment pursuant to the Performance Assessment Framework and the CEO's evaluation under our 360° Review Process, as described further in *Compensation Matters—Compensation Discussion and Analysis—How our Compensation Committee Makes Decisions*.
- While this formal process is conducted at year-end, our directors are regularly focused on the performance of our CEO, including during executive sessions of independent directors, regular closed sessions with our CEO and additional discussions between our Lead Director and our CEO throughout the year, as well as through mid-year discussions with the Compensation Committee on progress pursuant to the Performance Assessment Framework.

Executive Succession Planning

- Succession planning is a priority for our Governance Committee, which worked with Mr. Solomon to put in place an appropriate emergency succession protocol and will continue to work with him on the development and ongoing refinement of our longer-term succession plan.
- Our Governance Committee has long utilized a framework relating to executive succession planning under which the Committee has defined specific criteria for, and responsibilities of, each of the CEO, COO and CFO roles. The Committee then focuses on the particular skill set needed to su
  on a long-term and a
- Executive succession including Governance and emergency succ closed sessions with the year, one-on-one Director and CEO an independent director as may be appropriat

The Board also continues to engage with management on the firm's leadership pipeline more broadly, including with respect to leadership pipeline health and the development of the firm's "next generation" of leaders.

Interaction with leaders in a variety of settings, including Board meetings and preparatory	Executive succession planning reviewed by our Governance Committee with our CEO; ongoing

Financial Performance

- Our Board, including performance and key performance at each information to the Bo

Culture & Core Values

- Management's role in shaping the firm's culture is critical and our Board's oversight of firm culture is an important element of its responsibilities.
- Our culture has been a cornerstone of our business and performance throughout our history. Our Core Values of **partnership, client service, integrity** and **excellence** are derived from our long-standing Business Principles and are regularly reinforced at every step of our peoples' careers, from onboarding to training, and through our performance, development, compensation and promotion processes.
- Our Board holds senior management accountable for embodying an appropriate tone at the top and for maintaining and communicating a culture that emphasizes our Core Values and the importance of compliance with both the letter and spirit of the laws, rules and regulations that govern us.
  - » Oversight of culture takes many forms, including strategy and risk tolerance, review of governance policies, practices and metrics, regular discussions with the Executive Leadership Team, members of the firm's Compliance, Legal, Risk, Human Capital and Internal Audit functions, as well as others across the firm, and assessment of CEO and senior management performance and compensation.
  - » These are also topics on which our firm regularly engages with our shareholders, regulators and other stakeholders.

itment to delivering the best service to our clients through collaboration, uit of excellence. It is a strategic imperative that we continually reinvest in r people together in person given the growth of the firm over the course of ve launched a Culture Stewardship Program for our PMDs and a firmwide rce our Core Values and promote cultural stewardship, awareness and

est standards of ethical conduct at all times, consistent with our Core Values. For

governance metrics, including metrics focused on conduct, controls and business attrition and complaints, and engages in regular discussions with the Compliance, nd Internal Audit functions, among others.
agement to examine and report on "lessons learned" from events at our firm or in

nt Framework not only assesses the firm's financial performance, but also takes nonfinancial factors, including conduct-related matters.
tment to dialogue, education and formal training, the firm offers a range of ness standards and conduct.

nd Ethics (available on our website at www.gs.com) outlines our ongoing dards of partnership, client service, integrity and excellence, and our shared s and each other with honesty and integrity, avoid conflicts of interest, treat ate and complete records, comply with applicable laws and regulations and

Sustainability

- Given the interdisciplinary nature of the oversight of sustainability, including the priorities of climate transition and inclusive growth, and the financial and nonfinancial risks related to these activities, including climate-related risks, the Board carries out its oversight of these matters directly, at the full Board level, as well as through its Committees.
- This may include periodic updates on the firm's sustainability strategy, including the firm's approach, objectives and progress, discussions regarding the climate models the firm utilizes to assess physical and transition risks and reviews of our sustainability-and climate-related reporting, as well as presentations on initiatives such as *One Million Black Women*.
- For additional information regarding our commitment to sustainability, see *Spotlight on Sustainability*.

People Strategy

- We have long emphasized that our people are our greatest asset, and we seek to manage our people with the same rigor as we manage all other aspects of our firm, including our risk and capital. It is only with the determination and dedication of our people that we can serve our clients, generate long-term value for our shareholders and contribute to economic progress for all our stakeholders.
- Our Board and Committees engage with management on all aspects of our people strategy, which includes attracting talent, sustaining our culture and broadening our impact, and is informed by regular surveys of our people, the results of which are shared with our Board.
- One key element of our people strategy is diversity, equity and inclusion. Our Board has provided oversight as management has enhanced its commitments in these areas over the last several years, including through initiatives aimed at increasing the representation of diverse communities at all levels across the firm, enhanced parenting and family leave policies and reinvigorated inclusion networks, while sustaining our existing programs.
- More broadly, the Board and its Committees continue to work with management to enhance other aspects of our people strategy across all levels of the organization, including ongoing enhancements to our performance management process and our leadership pipeline health through succession planning, next-generation skill development and talent mobility.
- Consistent with our commitments to provide enhanced accountability, during 2022 we published our second annual People Strategy Report (available at www.gs.com), which provides tangible indicators of our progress on our people-related goals. Our next People Strategy Report will be issued later this year.

Apple 2023 Proxy Statement

Apple combines the conciseness of the Occidental Petroleum and Lowes disclosures with the breadth of Goldman Sachs' disclosure, addressing human rights, supply chain, regulatory compliance, and tax in addition to the more typical topics of cybersecurity and the environment.

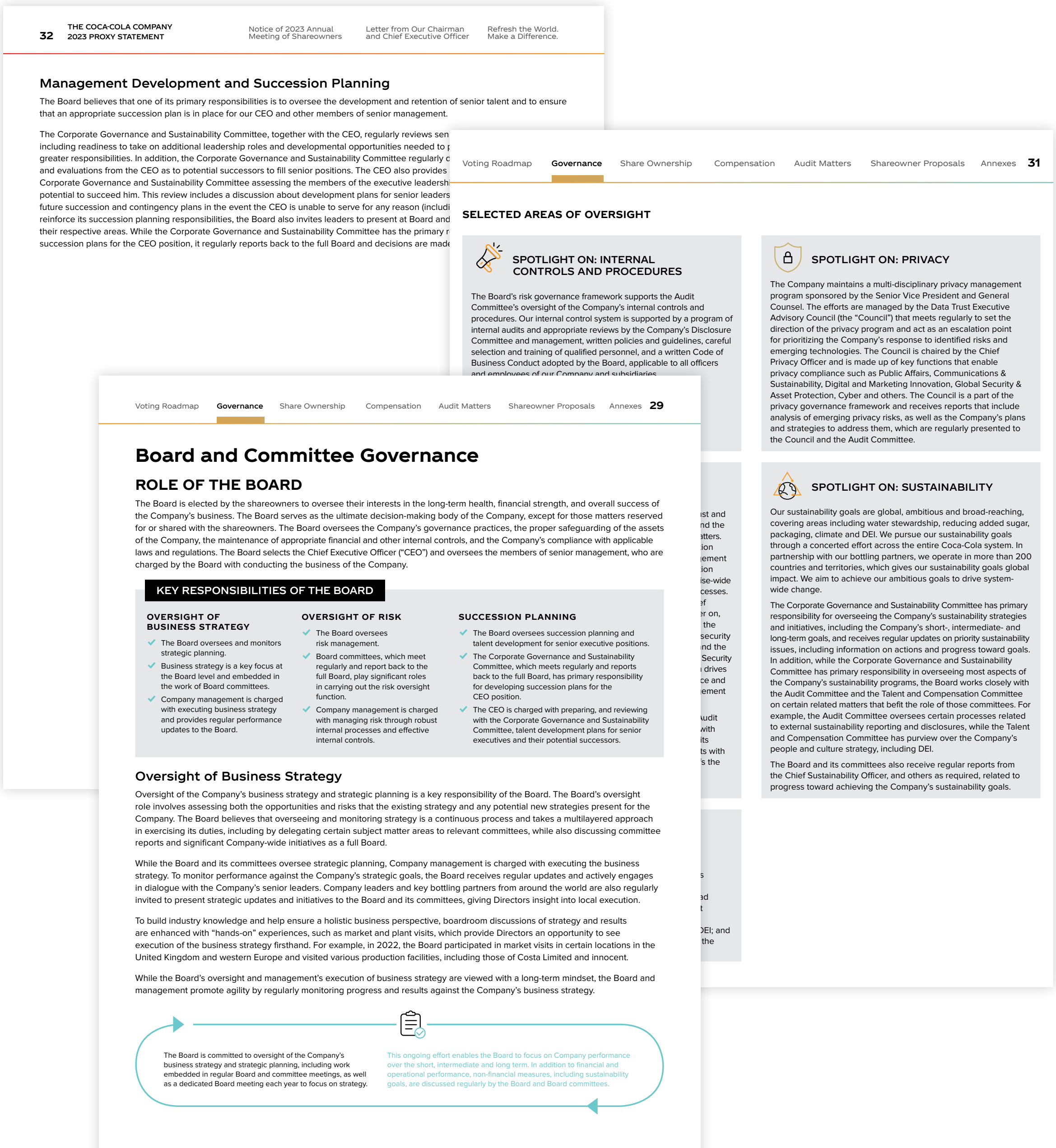
Selected Areas of Oversight

Compliance and Business Conduct	The Audit Committee regularly reviews and discusses with management Apple's compliance and business conduct risks. Apple's Chief Compliance Officer is responsible for the development, review, and execution of Apple's Compliance and Business Conduct program and regularly reports to the Audit Committee.
Environment	The Board reviews and discusses updates on environmental matters with Apple's Vice President of Environment, Policy and Social Initiatives, who is responsible for the development, review, and execution of plans designed to minimize Apple's impact on the environment. These reports include updates on Apple's progress towards environmental and climate goals and the environmental impact of our products and operations. In 2022, the Board formalized the Nominating Committee's oversight of Apple's strategies, policies, and practices relating to environmental and social matters.
Human Rights	In 2020, the B governs how v every level of o and external ir communication overseeing anc its ongoing imp during the dilige
People and Teams	The Board take to inclusion anc November 202 Compensation Additionally, Ap Each year, th compensation or excessive ris Committee cor as fixed base s annual cash in long-term perf Compensation non-executive executive com incentives to h encourage sho to have a mater

Privacy and Data Security	The Audit Committee regularly reviews and discusses with management Apple's privacy and data security risks. The Audit Committee receives regular updates from management, including Apple's Head of Information Security. Additionally, the Audit Committee reviews reports on privacy and data security matters from Apple's General Counsel, and from the heads of Compliance and Business Conduct, Business Assurance, and Internal Audit. Apple also has a management Privacy Steering Committee chaired by Apple's General Counsel, with members including Apple's Senior Vice President of Machine Learning and AI Strategy, Senior Vice President of Software, and a cross-functional group of senior representatives from Services, Software Engineering, Product Marketing, Corporate Communications, Information Services & Technology, Information Security, and Privacy Legal, and the Head of Business Assurance. The Privacy Steering Committee sets privacy standards for teams across Apple and acts as an escalation point for addressing privacy compliance issues.
Regulatory and Antitrust Compliance	Apple's full Board takes an active role in overseeing legal and regulatory risks related to Apple's business. The Board receives regular updates from Apple's General Counsel and Vice President of Product and Regulatory Law on legal and regulatory developments affecting the Company, including updates on legislative developments, government investigations, litigation, and other legal proceedings. The Audit Committee oversees Apple's antitrust compliance program. Apple's Antitrust Compliance Officer is responsible for the development, review, and execution of Apple's antitrust compliance program and, together with Apple's General Counsel and Apple's Chief Compliance Officer, regularly reports to the Audit Committee.
Supply Chain	The Board reviews and discusses with management reports regarding Apple's supply chain and operations. These reports include updates from Apple's Senior Vice President, Operations, on Apple's supply chain management, and our program to oversee Apple's Supplier Code of Conduct and Supplier Responsibility Standards. Apple reports publicly on its efforts and progress in the critical work of protecting people and the planet across its supply chain through an annual People and Environment in Our Supply Chain report.
Tax	The Audit Committee reviews and discusses with management reports on tax matters from Apple's Chief Financial Officer, General Counsel, the heads of Tax, Business Assurance, and Internal Audit, and Apple's independent auditor. These reports include updates on significant domestic and international tax-related developments, and international tax policy.

Coca-Cola 2023 Proxy Statement

Coca-Cola has five short topical “spotlights” sandwiched between discussions of strategy oversight and the board’s role in management succession planning. In each case the company clearly identifies the responsible parties and the reporting chain.



32 THE COCA-COLA COMPANY 2023 PROXY STATEMENT | Notice of 2023 Annual Meeting of Shareowners | Letter from Our Chairman and Chief Executive Officer | Refresh the World. Make a Difference.

Management Development and Succession Planning

The Board believes that one of its primary responsibilities is to oversee the development and retention of senior talent and to ensure that an appropriate succession plan is in place for our CEO and other members of senior management.

The Corporate Governance and Sustainability Committee, together with the CEO, regularly reviews sen
including readiness to take on additional leadership roles and developmental opportunities needed to p
greater responsibilities. In addition, the Corporate Governance and Sustainability Committee regularly c
and evaluations from the CEO as to potential successors to fill senior positions. The CEO also provides
Corporate Governance and Sustainability Committee assessing the members of the executive leadershi
potential to succeed him. This review includes a discussion about development plans for senior leaders
future succession and contingency plans in the event the CEO is unable to serve for any reason (includi
reinforce its succession planning responsibilities, the Board also invites leaders to present at Board and
their respective areas. While the Corporate Governance and Sustainability Committee has the primary r
succession plans for the CEO position, it regularly reports back to the full Board and decisions are made

Voting Roadmap | Governance | Share Ownership | Compensation | Audit Matters | Shareowner Proposals | Annexes 31

SELECTED AREAS OF OVERSIGHT

SPOTLIGHT ON: INTERNAL CONTROLS AND PROCEDURES

The Board’s risk governance framework supports the Audit Committee’s oversight of the Company’s internal controls and procedures. Our internal control system is supported by a program of internal audits and appropriate reviews by the Company’s Disclosure Committee and management, written policies and guidelines, careful selection and training of qualified personnel, and a written Code of Business Conduct adopted by the Board, applicable to all officers and employees of our Company and subsidiaries.

SPOTLIGHT ON: PRIVACY

The Company maintains a multi-disciplinary privacy management program sponsored by the Senior Vice President and General Counsel. The efforts are managed by the Data Trust Executive Advisory Council (the “Council”) that meets regularly to set the direction of the privacy program and act as an escalation point for prioritizing the Company’s response to identified risks and emerging technologies. The Council is chaired by the Chief Privacy Officer and is made up of key functions that enable privacy compliance such as Public Affairs, Communications & Sustainability, Digital and Marketing Innovation, Global Security & Asset Protection, Cyber and others. The Council is a part of the privacy governance framework and receives reports that include analysis of emerging privacy risks, as well as the Company’s plans and strategies to address them, which are regularly presented to the Council and the Audit Committee.

SPOTLIGHT ON: SUSTAINABILITY

Our sustainability goals are global, ambitious and broad-reaching, covering areas including water stewardship, reducing added sugar, packaging, climate and DEI. We pursue our sustainability goals through a concerted effort across the entire Coca-Cola system. In partnership with our bottling partners, we operate in more than 200 countries and territories, which gives our sustainability goals global impact. We aim to achieve our ambitious goals to drive system-wide change.

The Corporate Governance and Sustainability Committee has primary responsibility for overseeing the Company’s sustainability strategies and initiatives, including the Company’s short-, intermediate- and long-term goals, and receives regular updates on priority sustainability issues, including information on actions and progress toward goals. In addition, while the Corporate Governance and Sustainability Committee has primary responsibility in overseeing most aspects of the Company’s sustainability programs, the Board works closely with the Audit Committee and the Talent and Compensation Committee on certain related matters that befit the role of those committees. For example, the Audit Committee oversees certain processes related to external sustainability reporting and disclosures, while the Talent and Compensation Committee has purview over the Company’s people and culture strategy, including DEI.

The Board and its committees also receive regular reports from the Chief Sustainability Officer, and others as required, related to progress toward achieving the Company’s sustainability goals.

Voting Roadmap | Governance | Share Ownership | Compensation | Audit Matters | Shareowner Proposals | Annexes 29

Board and Committee Governance

ROLE OF THE BOARD

The Board is elected by the shareowners to oversee their interests in the long-term health, financial strength, and overall success of the Company’s business. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved for or shared with the shareowners. The Board oversees the Company’s governance practices, the proper safeguarding of the assets of the Company, the maintenance of appropriate financial and other internal controls, and the Company’s compliance with applicable laws and regulations. The Board selects the Chief Executive Officer (“CEO”) and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

KEY RESPONSIBILITIES OF THE BOARD

OVERSIGHT OF BUSINESS STRATEGY
- The Board oversees and monitors strategic planning.
- Business strategy is a key focus at the Board level and embedded in the work of Board committees.
- Company management is charged with executing business strategy and provides regular performance updates to the Board.

OVERSIGHT OF RISK
- The Board oversees risk management.
- Board committees, which meet regularly and report back to the full Board, play significant roles in carrying out the risk oversight function.
- Company management is charged with managing risk through robust internal processes and effective internal controls.

SUCCESSION PLANNING
- The Board oversees succession planning and talent development for senior executive positions.
- The Corporate Governance and Sustainability Committee, which meets regularly and reports back to the full Board, has primary responsibility for developing succession plans for the CEO position.
- The CEO is charged with preparing, and reviewing with the Corporate Governance and Sustainability Committee, talent development plans for senior executives and their potential successors.

Oversight of Business Strategy

Oversight of the Company’s business strategy and strategic planning is a key responsibility of the Board. The Board’s oversight role involves assessing both the opportunities and risks that the existing strategy and any potential new strategies present for the Company. The Board believes that overseeing and monitoring strategy is a continuous process and takes a multilayered approach in exercising its duties, including by delegating certain subject matter areas to relevant committees, while also discussing committee reports and significant Company-wide initiatives as a full Board.

While the Board and its committees oversee strategic planning, Company management is charged with executing the business strategy. To monitor performance against the Company’s strategic goals, the Board receives regular updates and actively engages in dialogue with the Company’s senior leaders. Company leaders and key bottling partners from around the world are also regularly invited to present strategic updates and initiatives to the Board and its committees, giving Directors insight into local execution.

To build industry knowledge and help ensure a holistic business perspective, boardroom discussions of strategy and results are enhanced with “hands-on” experiences, such as market and plant visits, which provide Directors an opportunity to see execution of the business strategy firsthand. For example, in 2022, the Board participated in market visits in certain locations in the United Kingdom and western Europe and visited various production facilities, including those of Costa Limited and innocent.

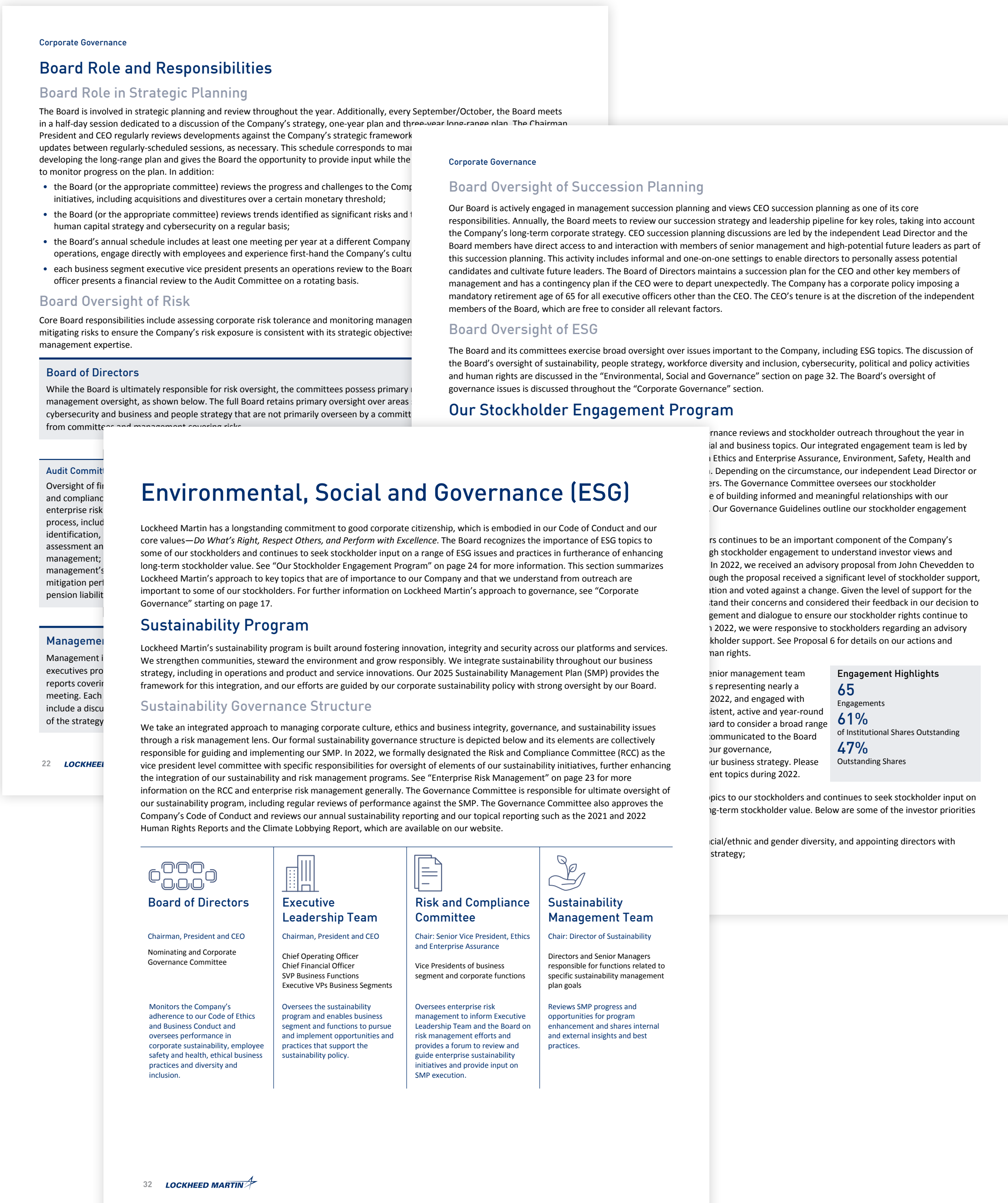
While the Board’s oversight and management’s execution of business strategy are viewed with a long-term mindset, the Board and management promote agility by regularly monitoring progress and results against the Company’s business strategy.

The Board is committed to oversight of the Company’s business strategy and strategic planning, including work embedded in regular Board and committee meetings, as well as a dedicated Board meeting each year to focus on strategy.

This ongoing effort enables the Board to focus on Company performance over the short, intermediate and long term. In addition to financial and operational performance, non-financial measures, including sustainability goals, are discussed regularly by the Board and Board committees.

Lockheed Martin 2023 Proxy Statement

Lockheed provides specific information about how the Board oversees company strategy and management succession planning, and details four levels of management for the company's sustainability program.



Corporate Governance

Board Role and Responsibilities

Board Role in Strategic Planning

The Board is involved in strategic planning and review throughout the year. Additionally, every September/October, the Board meets

Corporate Governance

Board Oversight of Succession Planning

Our Board is actively engaged in management succession planning and views CEO succession planning as one of its core responsibilities. Annually, the Board meets to review our succession strategy and leadership pipeline for key roles, taking into account the Company's long-term corporate strategy. CEO succession planning discussions are led by the independent Lead Director and the Board members have direct access to and interaction with members of senior management and high-potential future leaders as part of this succession planning. This activity includes informal and one-on-one settings to enable directors to personally assess potential candidates and cultivate future leaders. The Board of Directors maintains a succession plan for the CEO and other key members of management and has a contingency plan if the CEO were to depart unexpectedly. The Company has a corporate policy imposing a mandatory retirement age of 65 for all executive officers other than the CEO. The CEO's tenure is at the discretion of the independent members of the Board, which are free to consider all relevant factors.

Board Oversight of ESG

The Board and its committees exercise broad oversight over issues important to the Company, including ESG topics. The discussion of the Board's oversight of sustainability, people strategy, workforce diversity and inclusion, cybersecurity, political and policy activities and human rights are discussed in the "Environmental, Social and Governance" section on page 32. The Board's oversight of governance issues is discussed throughout the "Corporate Governance" section.

Our Stockholder Engagement Program

Engagement Highlights

65
Engagements

61%
of Institutional Shares Outstanding

47%
Outstanding Shares

Environmental, Social and Governance (ESG)

Lockheed Martin has a longstanding commitment to good corporate citizenship, which is embodied in our Code of Conduct and our core values—*Do What's Right, Respect Others, and Perform with Excellence*. The Board recognizes the importance of ESG topics to some of our stockholders and continues to seek stockholder input on a range of ESG issues and practices in furtherance of enhancing long-term stockholder value. See "Our Stockholder Engagement Program" on page 24 for more information. This section summarizes Lockheed Martin's approach to key topics that are of importance to our Company and that we understand from outreach are important to some of our stockholders. For further information on Lockheed Martin's approach to governance, see "Corporate Governance" starting on page 17.

Sustainability Program

Lockheed Martin's sustainability program is built around fostering innovation, integrity and security across our platforms and services. We strengthen communities, steward the environment and grow responsibly. We integrate sustainability throughout our business strategy, including in operations and product and service innovations. Our 2025 Sustainability Management Plan (SMP) provides the framework for this integration, and our efforts are guided by our corporate sustainability policy with strong oversight by our Board.

Sustainability Governance Structure

We take an integrated approach to managing corporate culture, ethics and business integrity, governance, and sustainability issues through a risk management lens. Our formal sustainability governance structure is depicted below and its elements are collectively responsible for guiding and implementing our SMP. In 2022, we formally designated the Risk and Compliance Committee (RCC) as the vice president level committee with specific responsibilities for oversight of elements of our sustainability initiatives, further enhancing the integration of our sustainability and risk management programs. See "Enterprise Risk Management" on page 23 for more information on the RCC and enterprise risk management generally. The Governance Committee is responsible for ultimate oversight of our sustainability program, including regular reviews of performance against the SMP. The Governance Committee also approves the Company's Code of Conduct and reviews our annual sustainability reporting and our topical reporting such as the 2021 and 2022 Human Rights Reports and the Climate Lobbying Report, which are available on our website.

Board of Directors	Executive Leadership Team	Risk and Compliance Committee	Sustainability Management Team
Chairman, President and CEO	Chairman, President and CEO	Chair: Senior Vice President, Ethics and Enterprise Assurance	Chair: Director of Sustainability
Nominating and Corporate Governance Committee	Chief Operating Officer Chief Financial Officer SVP Business Functions Executive VPs Business Segments	Vice Presidents of business segment and corporate functions	Directors and Senior Managers responsible for functions related to specific sustainability management plan goals
Monitors the Company's adherence to our Code of Ethics and Business Conduct and oversees performance in corporate sustainability, employee safety and health, ethical business practices and diversity and inclusion.	Oversees the sustainability program and enables business segment and functions to pursue and implement opportunities and practices that support the sustainability policy.	Oversees enterprise risk management to inform Executive Leadership Team and the Board on risk management efforts and provides a forum to review and guide enterprise sustainability initiatives and provide input on SMP execution.	Reviews SMP progress and opportunities for program enhancement and shares internal and external insights and best practices.

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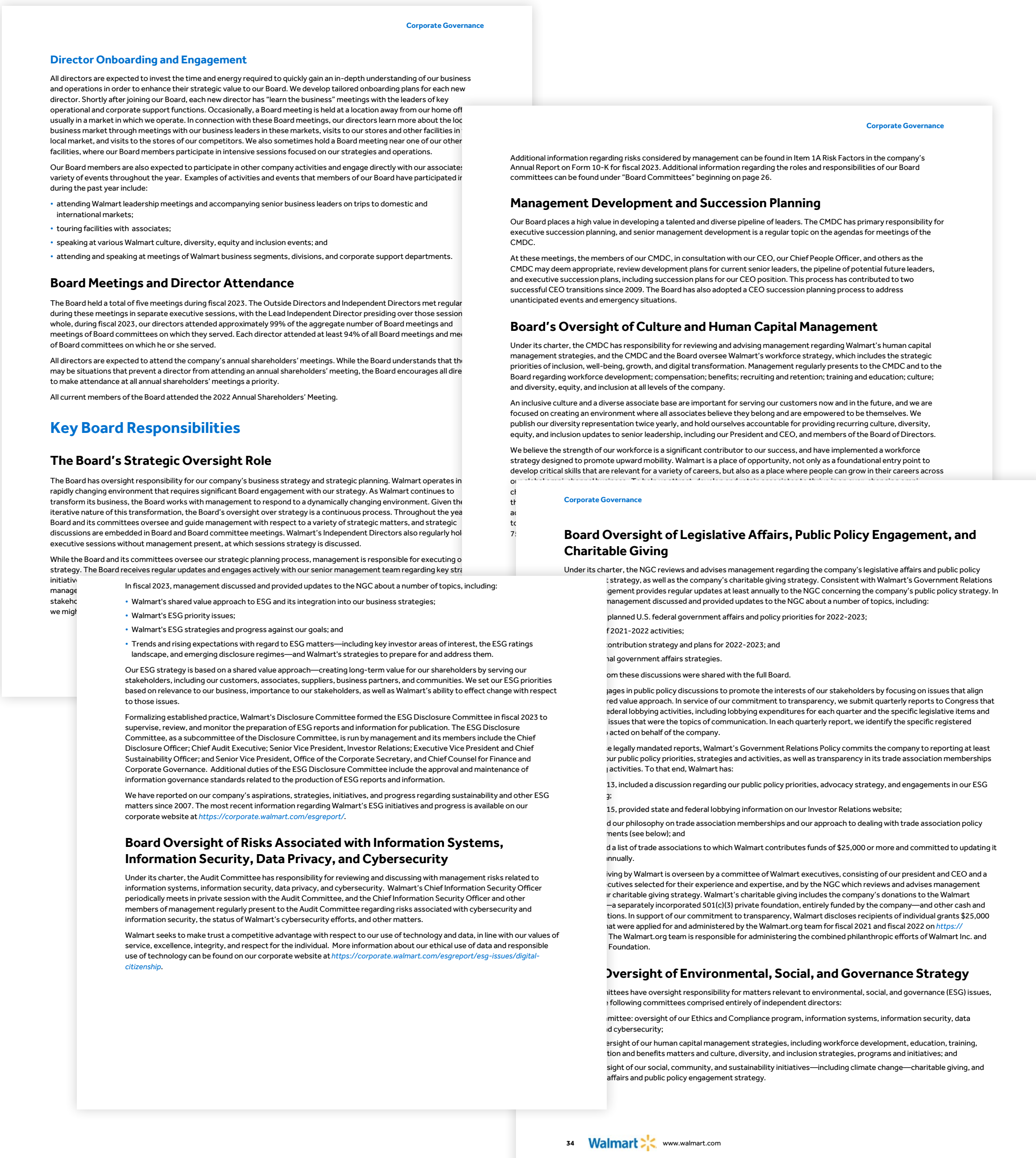
Walmart 2023 Proxy Statement

Walmart provides more than the usual information in its discussion of oversight of legislative affairs and related matters, as well as detail about the specific activities of the parties overseeing the company's ESG strategy.



Corporate Governance

Director Onboarding and Engagement

All directors are expected to invest the time and energy required to quickly gain an in-depth understanding of our business and operations in order to enhance their strategic value to our Board. We develop tailored onboarding plans for each new director. Shortly after joining our Board, each new director has "learn the business" meetings with the leaders of key operational and corporate support functions. Occasionally, a Board meeting is held at a location away from our home off usually in a market in which we operate. In connection with these Board meetings, our directors learn more about the loc business market through meetings with our business leaders in these markets, visits to our stores and other facilities in local market, and visits to the stores of our competitors. We also sometimes hold a Board meeting near one of our other facilities, where our Board members participate in intensive sessions focused on our strategies and operations.

Our Board members are also expected to participate in other company activities and engage directly with our associate variety of events throughout the year. Examples of activities and events that members of our Board have participated i during the past year include:

- attending Walmart leadership meetings and accompanying senior business leaders on trips to domestic and international markets;
- touring facilities with associates;
- speaking at various Walmart culture, diversity, equity and inclusion events; and
- attending and speaking at meetings of Walmart business segments, divisions, and corporate support departments.

Board Meetings and Director Attendance

The Board held a total of five meetings during fiscal 2023. The Outside Directors and Independent Directors met regular during these meetings in separate executive sessions, with the Lead Independent Director presiding over those session whole, during fiscal 2023, our directors attended approximately 99% of the aggregate number of Board meetings and meetings of Board committees on which they served. Each director attended at least 94% of all Board meetings and me of Board committees on which he or she served.

All directors are expected to attend the company's annual shareholders' meetings. While the Board understands that th may be situations that prevent a director from attending an annual shareholders' meeting, the Board encourages all dire to make attendance at all annual shareholders' meetings a priority.

All current members of the Board attended the 2022 Annual Shareholders' Meeting.

Key Board Responsibilities

The Board's Strategic Oversight Role

The Board has oversight responsibility for our company's business strategy and strategic planning. Walmart operates in rapidly changing environment that requires significant Board engagement with our strategy. As Walmart continues to transform its business, the Board works with management to respond to a dynamically changing environment. Given th iterative nature of this transformation, the Board's oversight over strategy is a continuous process. Throughout the yea Board and its committees oversee and guide management with respect to a variety of strategic matters, and strategic discussions are embedded in Board and Board committee meetings. Walmart's Independent Directors also regularly hol executive sessions without management present, at which sessions strategy is discussed.

While the Board and its committees oversee our strategic planning process, management is responsible for executing o strategy. The Board receives regular updates and engages actively with our senior management team regarding key stra initiativ manage stakeho we migh

Corporate Governance

Additional information regarding risks considered by management can be found in Item 1A Risk Factors in the company's Annual Report on Form 10-K for fiscal 2023. Additional information regarding the roles and responsibilities of our Board committees can be found under "Board Committees" beginning on page 26.

Management Development and Succession Planning

Our Board places a high value in developing a talented and diverse pipeline of leaders. The CMDC has primary responsibility for executive succession planning, and senior management development is a regular topic on the agendas for meetings of the CMDC.

At these meetings, the members of our CMDC, in consultation with our CEO, our Chief People Officer, and others as the CMDC may deem appropriate, review development plans for current senior leaders, the pipeline of potential future leaders, and executive succession plans, including succession plans for our CEO position. This process has contributed to two successful CEO transitions since 2009. The Board has also adopted a CEO succession planning process to address unanticipated events and emergency situations.

Board's Oversight of Culture and Human Capital Management

Under its charter, the CMDC has responsibility for reviewing and advising management regarding Walmart's human capital management strategies, and the CMDC and the Board oversee Walmart's workforce strategy, which includes the strategic priorities of inclusion, well-being, growth, and digital transformation. Management regularly presents to the CMDC and to the Board regarding workforce development; compensation; benefits; recruiting and retention; training and education; culture; and diversity, equity, and inclusion at all levels of the company.

An inclusive culture and a diverse associate base are important for serving our customers now and in the future, and we are focused on creating an environment where all associates believe they belong and are empowered to be themselves. We publish our diversity representation twice yearly, and hold ourselves accountable for providing recurring culture, diversity, equity, and inclusion updates to senior leadership, including our President and CEO, and members of the Board of Directors.

We believe the strength of our workforce is a significant contributor to our success, and have implemented a workforce strategy designed to promote upward mobility. Walmart is a place of opportunity, not only as a foundational entry point to develop critical skills that are relevant for a variety of careers, but also as a place where people can grow in their careers across

Corporate Governance

Board Oversight of Legislative Affairs, Public Policy Engagement, and Charitable Giving

Under its charter, the NGC reviews and advises management regarding the company's legislative affairs and public policy strategy, as well as the company's charitable giving strategy. Consistent with Walmart's Government Relations gement provides regular updates at least annually to the NGC concerning the company's public policy strategy. In management discussed and provided updates to the NGC about a number of topics, including:

planned U.S. federal government affairs and policy priorities for 2022-2023;
f 2021-2022 activities;
contribution strategy and plans for 2022-2023; and
nal government affairs strategies.
om these discussions were shared with the full Board.

gages in public policy discussions to promote the interests of our stakeholders by focusing on issues that align red value approach. In service of our commitment to transparency, we submit quarterly reports to Congress that ederal lobbying activities, including lobbying expenditures for each quarter and the specific legislative items and issues that were the topics of communication. In each quarterly report, we identify the specific registered acted on behalf of the company.

e legally mandated reports, Walmart's Government Relations Policy commits the company to reporting at least our public policy priorities, strategies and activities, as well as transparency in its trade association memberships activities. To that end, Walmart has:

13, included a discussion regarding our public policy priorities, advocacy strategy, and engagements in our ESG
;
15, provided state and federal lobbying information on our Investor Relations website;
d our philosophy on trade association memberships and our approach to dealing with trade association policy ments (see below); and
d a list of trade associations to which Walmart contributes funds of $25,000 or more and committed to updating it nnually.

iving by Walmart is overseen by a committee of Walmart executives, consisting of our president and CEO and a cutives selected for their experience and expertise, and by the NGC which reviews and advises management r charitable giving strategy. Walmart's charitable giving includes the company's donations to the Walmart —a separately incorporated 501(c)(3) private foundation, entirely funded by the company—and other cash and tions. In support of our commitment to transparency, Walmart discloses recipients of individual grants $25,000 at were applied for and administered by the Walmart.org team for fiscal 2021 and fiscal 2022 on https:// The Walmart.org team is responsible for administering the combined philanthropic efforts of Walmart Inc. and Foundation.

Oversight of Environmental, Social, and Governance Strategy

ittees have oversight responsibility for matters relevant to environmental, social, and governance (ESG) issues, following committees comprised entirely of independent directors:

mittee: oversight of our Ethics and Compliance program, information systems, information security, data d cybersecurity;
ersight of our human capital management strategies, including workforce development, education, training, tion and benefits matters and culture, diversity, and inclusion strategies, programs and initiatives; and
sight of our social, community, and sustainability initiatives—including climate change—charitable giving, and affairs and public policy engagement strategy.

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In fiscal 2023, management discussed and provided updates to the NGC about a number of topics, including:

- Walmart's shared value approach to ESG and its integration into our business strategies;
- Walmart's ESG priority issues;
- Walmart's ESG strategies and progress against our goals; and
- Trends and rising expectations with regard to ESG matters—including key investor areas of interest, the ESG ratings landscape, and emerging disclosure regimes—and Walmart's strategies to prepare for and address them.

Our ESG strategy is based on a shared value approach—creating long-term value for our shareholders by serving our stakeholders, including our customers, associates, suppliers, business partners, and communities. We set our ESG priorities based on relevance to our business, importance to our stakeholders, as well as Walmart's ability to effect change with respect to those issues.

Formalizing established practice, Walmart's Disclosure Committee formed the ESG Disclosure Committee in fiscal 2023 to supervise, review, and monitor the preparation of ESG reports and information for publication. The ESG Disclosure Committee, as a subcommittee of the Disclosure Committee, is run by management and its members include the Chief Disclosure Officer; Chief Audit Executive; Senior Vice President, Investor Relations; Executive Vice President and Chief Sustainability Officer; and Senior Vice President, Office of the Corporate Secretary, and Chief Counsel for Finance and Corporate Governance. Additional duties of the ESG Disclosure Committee include the approval and maintenance of information governance standards related to the production of ESG reports and information.

We have reported on our company's aspirations, strategies, initiatives, and progress regarding sustainability and other ESG matters since 2007. The most recent information regarding Walmart's ESG initiatives and progress is available on our corporate website at https://corporate.walmart.com/esgreport/.

Board Oversight of Risks Associated with Information Systems, Information Security, Data Privacy, and Cybersecurity

Under its charter, the Audit Committee has responsibility for reviewing and discussing with management risks related to information systems, information security, data privacy, and cybersecurity. Walmart's Chief Information Security Officer periodically meets in private session with the Audit Committee, and the Chief Information Security Officer and other members of management regularly present to the Audit Committee regarding risks associated with cybersecurity and information security, the status of Walmart's cybersecurity efforts, and other matters.

Walmart seeks to make trust a competitive advantage with respect to our use of technology and data, in line with our values of service, excellence, integrity, and respect for the individual. More information about our ethical use of data and responsible use of technology can be found on our corporate website at https://corporate.walmart.com/esgreport/esg-issues/digital-citizenship.

Meredith Shaughnessy

Board Leadership and Risk Oversight: Enhancements in Response to SEC Comment Letters

In August and September of 2022, the SEC's Division of Corporation Finance sent comment letters to dozens of public companies—including American Express, Coca Cola, Healthpeak Properties, Humana, Lockheed Martin, PayPal, PepsiCo, ServiceNow, and Sherwin-Williams[2] – calling for more detailed disclosure around Board leadership structure, its interplay with risk oversight, and ***how*** the Board exercises its risk oversight function, not just ***what risks*** it oversees.

Clearly, the SEC was sending a message that those sections of the proxy statement had become too boilerplate and did not provide sufficient disclosure for investors to evaluate the Board's direct and independent engagement on risk-related matters. And having an independent Board chair did not insulate a company from receiving a comment letter.

For companies with a combined Chair/CEO, the universe of SEC comments[3] included the following:

- Please expand your discussion to address how the experience of your Lead Independent Director is brought to bear in connection with your board's role in risk oversight.
- Please expand upon the role that your Lead Independent Director plays in the leadership of the board. For example, please enhance your disclosure to address whether or not your Lead Independent Director may:
  - represent the board in communications with shareholders and other stakeholders;
  - require board consideration of, and/or override your CEO on, any risk matters; or
  - provide input on design of the board itself.

[2] For a comprehensive list of comment letters, please refer to the SEC's full text search feature (using distinctive text from the comment letters such as "override your CEO," "immediacy of risk," or "Chief Compliance Officer," and/or the custom file date range of 8/1/22 – 9/30/22), available here.

[3] Interestingly, the SEC did not include all these comments for several companies. It's not immediately clear whether that is because the SEC thought some companies already had sufficient disclosure or for some other reason. In addition, for a handful of companies, the SEC included additional comments, such as in the case of Lockheed Martin: "why your board elected to retain direct oversight responsibility for cybersecurity rather than assign oversight to a board committee."

- Please expand upon how your board administers its risk oversight function. For example, please disclose:
  - the timeframe over which you evaluate risks (e.g., short-term, intermediate-term, or long-term) and how you apply different oversight standards based upon the immediacy of the risk assessed;
  - whether you consult with outside advisors and experts to anticipate future threats and trends and how often you re-assess your risk environment;
  - how the board interacts with management to address existing risks and identify significant emerging risks;
  - whether you have a Chief Compliance Officer and to whom this position reports; and
  - how your risk oversight process aligns with your disclosure controls and procedures.

For companies with an independent Chair, the universe of SEC comments was largely similar except:

- Rather than the first comment regarding the lead independent director's experience, the comment requested detail on how a company might decide to move to a combined Chair/CEO:

  - Please expand your discussion of the reasons you believe that your leadership structure is appropriate, addressing your specific characteristics or circumstances. In your discussion, please also address the circumstances under which you would consider having the Chair and CEO roles filled by a single individual, when shareholders would be notified of any such change, and whether you will seek prior input from shareholders.

- The request regarding "represent the board in communications with shareholders and other stakeholders" was not included.

As a result of this wave of comment letters, the 2023 proxy season provided a rich opportunity to review updated disclosures. Some companies responded to each of the SEC's comments in a direct, detailed manner, while others took a more measured approach. Following are examples of different ways to enhance your disclosures and move beyond the boilerplate in your Board leadership structure and risk oversight sections.

Examples

How Lead Director Experience Supports Risk Oversight

Sherwin-Williams 2023 Proxy Statement

Sherwin-Williams added a significant amount of new disclosure in its Board leadership section, including a separate section entitled "Lead Director Role in Risk Oversight." The company was also in the process of a Lead Director transition and included additional disclosure on why the incoming Lead Director was well-suited for his role.

Current Lead Director. Steven H. Wunning currently serves as the Company's Lead Director and has held this position since 2019. Mr. Wunning's in-depth understanding of manufacturing, quality, product support, and logistics as a result of his extensive management experience at a leading global manufacturing company has provided him with unique capabilities and insight with respect to the Company's business, which are brought to bear in the performance of his responsibilities as Lead Director.

2023 Lead Director Succession. In accordance with our director retirement policy, Mr. Wunning will retire from the Board at the end of his current term at the Annual Meeting. The Company and the Board extend their sincere gratitude to Mr. Wunning for his strong, principled leadership as Lead Director and his many contributions and dedicated service to the Company as a director.

The Board has elected Jeff M. Fettig to succeed Mr. Wunning as the Company's Lead Director, effective following and contingent upon Mr. Fettig's re-election as a director at the Annual Meeting. Mr. Fettig has served as a director since 2019 and currently serves as Chair of the Audit Committee and a member of the Nominating and Corporate Governance Committee. Through his long tenure as the former Chairman and CEO of a large public company, Mr. Fettig gained extensive public company management experience and significant knowledge of global business operations and end markets and the manufacturing, marketing, sales, and distribution of consumer products worldwide. Mr. Fettig also has significant experience with corporate governance matters as a current and former director, including independent lead director and non-executive chair roles, of other public company boards. In light of this extensive experience and breadth of knowledge and his valued contributions as a fellow director and Chair of the Audit Committee, the Board believes Mr. Fettig is well positioned to provide strong leadership and oversight of ongoing Board matters, influence effective collaboration among the directors, and contribute valuable insight with respect to the Company's business.

Lead Director Role in Risk Oversight. With respect to the Board's role in risk oversight, Messrs. Wunning and Fettig are uniquely qualified to assist the Board in overseeing the identification, assessment, and management of the Company's exposure to various risks as a result of their extensive public company risk management experience. Mr. Fettig also is well positioned due to his current role as Chair of the Audit Committee, which assists the Board in overseeing the Company's enterprise risk management program that includes processes used to identify, assess, and manage the Company's most significant risks and actions taken by management to identify, manage, and mitigate such risk exposures.

The Board believes Mr. Wunning has effectively leveraged and Mr. Fettig will be able to effectively leverage their respective experience to provide leadership and help guide the Board's independent oversight of the Company's risk exposures through the Lead Director role in collaborating with the Chairman and approving Board meeting agendas, chairing executive sessions of the non-management directors, facilitating communications between independent directors and the Chairman, and providing input on the design of the Board, including committee oversight responsibilities. In connection with these processes and in addition to management's regular reviews of significant risks with the Board and committees, the Lead Director has the responsibility to review and evaluate the Company's processes used to identify, assess, and manage key risks for the Board's review and consideration and work with the Chairman to report the conclusions of the Board on such matters to management.

Other Leadership Components

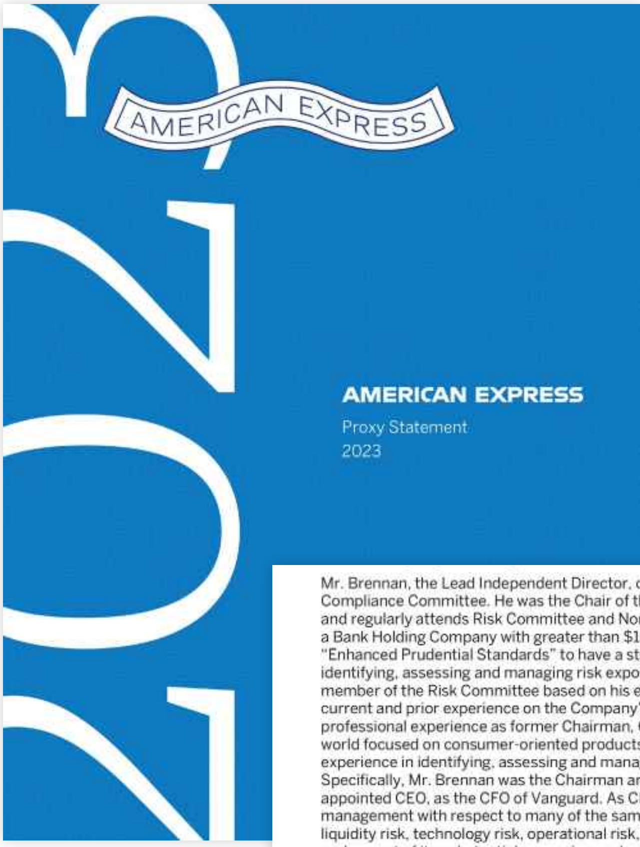
We believe our strong leadership structure, together with the Board's full access to our management team, enables the Board to effectively carry out its responsibility to oversee management.

All Board committees are entirely composed of independent directors and assist the Board with its overall oversight responsibility. In addition, the Board, the Lead Director, and any committee may retain independent legal, financial, compensation, or other consultants and advisors to advise and assist the Board or committee in discharging their responsibilities.

SHERWIN-WILLIAMS. 11

American Express 2023 Proxy Statement

American Express includes extensive disclosure around its Lead Independent Director's risk management background in the risk oversight section.



Mr. Brennan, the Lead Independent Director, chairs the Compensation and Benefits Committee and is a member of the Audit and Compliance Committee. He was the Chair of the Risk Committee up until his election as Lead Independent Director in September 2021 and regularly attends Risk Committee and Nominating, Governance and Public Responsibility Committee meetings as an observer. As a Bank Holding Company with greater than $100 billion in total assets, the Company is required under the Federal Reserve's "Enhanced Prudential Standards" to have a stand-alone Risk Committee, which must include at least one member with "experience in identifying, assessing and managing risk exposures of large, complex financial firms." Mr. Brennan met this requirement when he was a member of the Risk Committee based on his experience with a variety of diverse financial companies, including, without limitation, his current and prior experience on the Company's Board, including serving as the former chair of the Risk Committee and his prior professional experience as former Chairman, CEO and CFO of Vanguard. Vanguard is one of the largest investment companies in the world focused on consumer-oriented products and services, and Mr. Brennan's leadership roles at Vanguard further demonstrate his experience in identifying, assessing and managing the risk exposures of a large, complex financial firm in a highly regulated sector. Specifically, Mr. Brennan was the Chairman and CEO of Vanguard for over a decade and spent another five years, prior to being appointed CEO, as the CFO of Vanguard. As CEO of Vanguard, Mr. Brennan was involved in, and was ultimately responsible for, risk management with respect to many of the same categories of risks faced by the Company, including credit risk, interest rate risk, liquidity risk, technology risk, operational risk, reputational risk and compliance and legal risk. Moreover, during his time at Vanguard and as part of its substantial expansion under his leadership, many of Vanguard's risk management processes were necessarily enhanced over time. In addition, the Board believes that Mr. Brennan's current and prior board service for external companies also support his risk management qualifications, including through his prior roles as Lead Governor and then Chairman of the FINRA.

PepsiCo 2023 Proxy Statement

PepsiCo added new disclosure on this topic in both the Board leadership and risk oversight sections. The company updated the background of its Presiding Director to more directly reference his risk management and leadership experience. And it concluded its risk oversight section with a statement on how it believes its Board leadership structure supports effective risk oversight.

Ian Cook
PRESIDING DIRECTOR
Former Chairman, President and Chief Executive Officer, Colgate-Palmolive Company

As a result of his extensive experience leading a multinational consumer products company during his 40-plus year career at Colgate-Palmolive, including his 12 years as CEO and his direct involvement in both risk management and risk oversight, and his deep understanding of PepsiCo and its business acquired from his years of service on our Board, Mr. Cook is uniquely positioned to work collaboratively with our Chairman and CEO, while providing strong independent oversight of management.

In addition to his core responsibilities as Presiding Director as described further below, Mr. Cook is an actively engaged director who regularly communicates with the Chairman and CEO and other members of the senior management on various topics of importance to the Company, including business strategy and the Company's approach to identifying and mitigating key risks.

In recognition of Mr. Cook's strong leadership stemming from his industry-relevant knowledge, operational, risk oversight and governance experience and exceptional interpersonal and communication skills, the independent members of the Board of Directors re-elected Mr. Cook as the Presiding Director for another three-year term beginning in 2022.

The Company believes that the Board's leadership structure, discussed in detail under "Board Leadership Structure" on pages 25-27 of this Proxy Statement, supports the risk oversight function of the Board, with the Chairman and CEO uniquely positioned to identify emerging risks while the independent Presiding Director and Chairs of the Board's four Committees provide independent oversight of the Company's risk management programs.

Lead Independent Director/Independent Chair Authority

In its comment letters, the SEC asked specifically about (a) communicating with shareholders and other stakeholders; (b) Board consideration of and/or overriding the CEO on risk matters; and (c) providing input on the design of the board itself.

Sherwin-Williams 2023 Proxy Statement

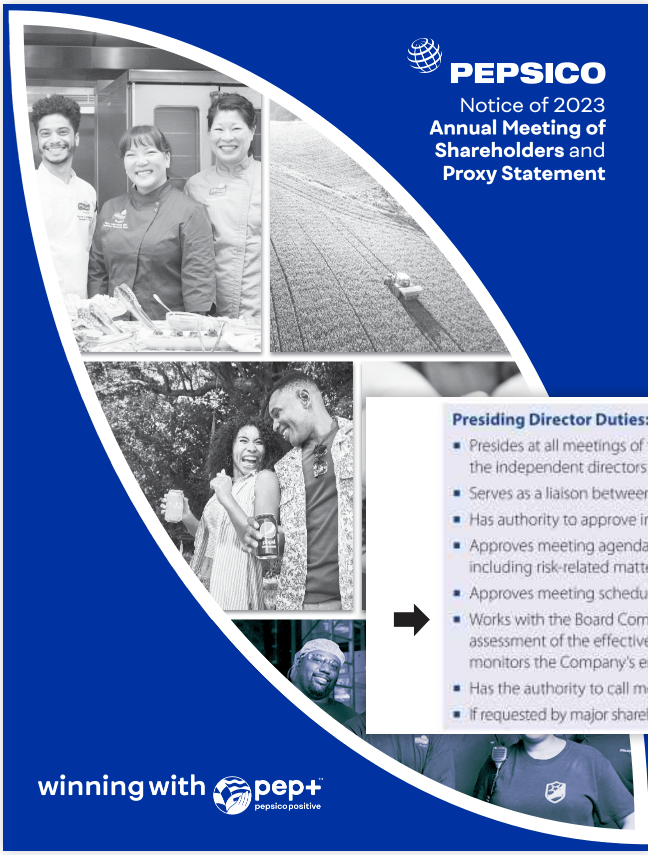
Sherwin-Williams, under Roles and Responsibilities in the Board leadership section, added items directly responsive to these comments, other than explicitly noting whether its Lead Director may override the CEO on risk matters.

Role and Responsibilities. The Lead Director has a significant role, with robust governance responsibilities that were recently enhanced and are clearly described in our Corporate Governance Guidelines. These responsibilities are as follows.

- Chair meetings of the Board at which the Chairman is not present.
- Chair executive sessions of the non-management directors. Meet separately with the Chairman after executive sessions to review the matters discussed during the executive sessions.
- Authority to call meetings of the independent directors.
- Review with the Chairman and approve the schedule for meetings of the non-management directors and set the agenda for such meetings.
- Facilitate communications and serve as the principal liaison on Board-related issues between the Chairman and the independent directors. Each director, however, is free to communicate directly with the Chairman.
- Review with the Chairman and approve the schedule for meetings of the Board to help assure that there is sufficient time allocated for discussion of all agenda items.
- Suggest to the Chairman agenda items for meetings of the Board and approve the agenda, as well as the substance and timeliness of information sent to the Board.
- Provide input on the design of the Board, including Board and committee composition, size, membership, leadership, structure and oversight responsibilities, as part of the Board's and the Nominating and Corporate Governance Committee's periodic review of such matters.
- Assist the Board in overseeing the identification, assessment, and management of the Company's risk exposures.
- Authorize the retention of independent legal advisors, or other independent consultants and advisors, as necessary, who report directly to the Board on Board-related issues.
- Represent the Board in communications with shareholders and other stakeholders where it is necessary and appropriate for the Board to respond on matters independently from the Company's management.
- If requested by major shareholders, ensure that he or she is available for consultation and direct communication.
- Act as a resource for, and counsel to, the Chairman.

PepsiCo 2023 Proxy Statement

PepsiCo added one new bullet to its Presiding Director duties that is less directly responsive.

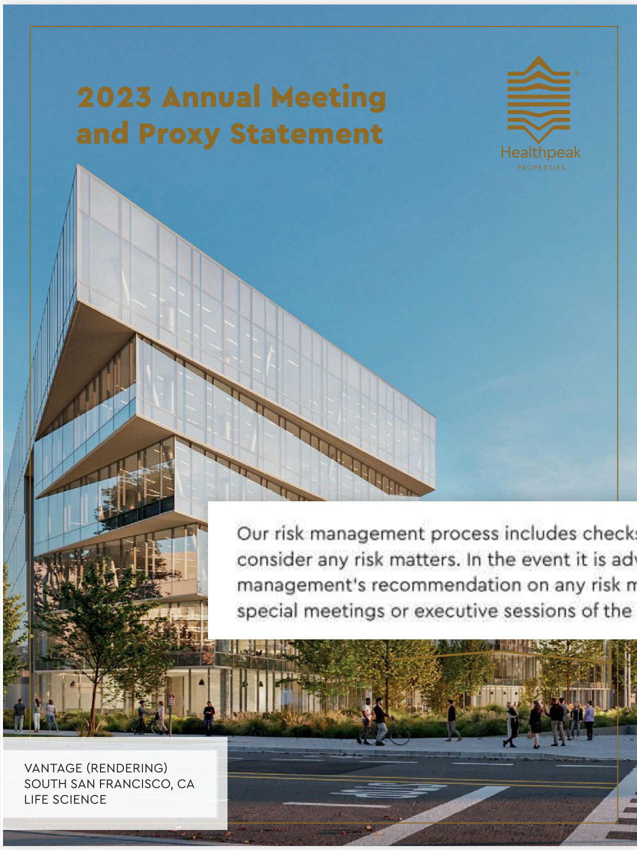


Presiding Director Duties:

- Presides at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors
- Serves as a liaison between the Chairman of the Board and the independent directors
- Has authority to approve information sent to the Board
- Approves meeting agendas for the Board, including Board consideration of any matters as he or she deems appropriate, including risk-related matters
- Approves meeting schedules to assure that there is sufficient time for discussion of all agenda items
- Works with the Board Committee Chairs to oversee the annual assessment of the Board and Committees, including assessment of the effectiveness and appropriateness of the process by which the Board identifies, assesses, addresses and monitors the Company's enterprise risks
- Has the authority to call meetings of the independent directors
- If requested by major shareholders, ensures that he or she is available for consultation and direct communication

Healthpeak 2023 Proxy Statement

Healthpeak added new disclosure in its risk oversight section that makes clear that its independent directors are empowered to review and consider any risk matters independently.



Our risk management process includes checks and balances that allows our Independent Directors to review and consider any risk matters. In the event it is advisable that our Independent Directors review or take alternative action on management's recommendation on any risk matters, our independent Chairman has the authority to call and preside at special meetings or executive sessions of the Independent Directors as necessary or advisable.

Board's Administration of Risk Oversight Function (the "How")

In its comment letters, the SEC asked specifically about (a) the timeframe for evaluating risks (e.g., short-term, intermediate-term, or long-term); (b) use of outside advisors and experts and how often the risk environment is re-assessed; (c) Board interaction with management; (d) existence of chief compliance officer; and (e) alignment with disclosure controls and procedures.

Sherwin-Williams 2023 Proxy Statement

All of the companies we reviewed added a fairly significant amount of new disclosure on these topics. Much like its new disclosure in the Board Leadership Structure section, Sherwin-Williams had one of the most directly responsive new disclosures in its Risk Oversight section. The company does not have someone with the title of Chief Compliance Officer, so it describes how the CFO and other members of management fulfill that role to manage key risks.

The Board's Role in Risk Oversight

Overseeing the assessment and management of the Company's exposure to various risks is a key oversight responsibility for the Board. We have an enterprise risk management (ERM) program that includes the processes used to identify, assess, and manage the Company's most significant enterprise risks and uncertainties that could materially impact the long-term health of the Company or prevent the achievement of strategic objectives. These risks are identified, measured, monitored, and managed across the following key risk categories:

- ***Strategic***, including acquisition, business disruption, reputational, and ESG risks;
- ***Operational***, including cybersecurity, information technology, supply chain and sourcing, and talent attraction, retention, and development risks;
- ***Financial and macroeconomic***, including economic condition, geopolitical, and financial control risks; and
- ***Compliance***, including litigation, regulatory, tax, and intellectual property risks.

Our Chief Financial Officer (CFO), who reports to our CEO, facilitates the ERM program. The ERM program includes a formal assessment of the Company's risk environment at least once per year. Because risks are considered in conjunction with the Company's operations and strategies, including long-term strategies, risks are identified and evaluated across different timeframes (e.g., short, medium and long term) depending on the specific risk. For the most significant risks identified, the ERM program team engages with senior management and other senior leaders in the functional areas and business units specific to the risks to develop and support risk management and mitigation actions, strategies, and processes across the short, medium, and long term, as necessary and appropriate, and to assist in aligning such actions, strategies, and processes with the Company's relevant controls and procedures. Senior management and other senior leaders also may consult with outside advisors and experts in developing risk management and mitigation actions, strategies, processes, controls, and procedures and anticipating future threats and trends relating to the most significant risks.

The ERM program also facilitates the incorporation of risk assessment and evaluation into the strategic planning process and the provision of regular reports to senior management, including the CEO, regarding the actions, strategies, processes, controls, and procedures specific to managing, mitigating, and anticipating significant risks. While the Company does not have a member of senior management with the title of Chief Compliance Officer, the CFO and other senior management, who each report directly to the CEO or Chief Operating Officer (COO), are responsible for managing key risks specific to their functional areas.

The CFO reviews the ERM program with the Board at least once per year, including the methodology and approach used to identify, assess, and manage risks, enhancements to the ERM program during the preceding year, and existing risks and significant emerging risks across the Company's key risk categories. Due to their immediacy and risk level, the Company's most significant risks identified through the ERM program are discussed in greater detail with the Board, including the potential impact and likelihood of the risks materializing over the relevant timeframe, future threats and trends, assigned risk captains, and the actions, strategies, processes, controls, and procedures used or to be implemented to manage and mitigate the risks.

The CEO, CFO, and other senior management may review specific risks with the Board throughout the year, as necessary and appropriate, including as a result of the Lead Director or the Board requesting more frequent updates or information about specific risks. In reviewing specific risks with the Board, the CEO, CFO, and other senior management may incorporate reports and presentations from third-party advisors and consultants designed to advise with respect to future threats and trends and risk identification, management, and mitigation actions, strategies, and processes, as well as to discuss with, and obtain input from, the Board.

The following examples showcase other companies that used graphics to effectively convey this information.

Lockheed Martin 2023 Proxy Statement

Lockheed Martin added an entire page on its Enterprise Risk Management (ERM) process, with a graphic showing the various management-level committees and bullet points highlighting how often its ERM and compliance risk assessments are done.

Enterprise Risk Management

Management is responsible for our Enterprise Risk Management function (ERM), which is designed to (i) provide assurance that key strategic, operational and growth risks are identified and effectively managed; (ii) support the development and implementation of sound risk management practices and risk-informed decision making; (iii) drive risk awareness across the Company; and (iv) create a sustainable risk-based culture. The ERM structure and process is outlined below.

ERM manages risk primarily through risk identification, risk assessment and risk controls and mitigation. Two primary components of the enterprise risk management process are an annual enterprise risk assessment and a biennial compliance risk assessment.

- **The enterprise risk assessment** is prepared annually by engaging over 1,500 leaders across the Company, including senior executives and internal audit. ERM uses the results of this engagement to prepare an enterprise risk matrix focusing on the top identified risks, and assigns risk owners and recommended mitigation plans, which are then tracked. The risks assessed are generally ones that could materialize over a one-to-three-year horizon. We also monitor emerging risks, assessed to have reduced immediacy, identified from internal sources, external benchmarking and participation in professional organizations.
- **The compliance risk assessment** is conducted every two years and involves a survey of approximately 800 subject matter experts on compliance risks and the review of external risk benchmarking. It is focused on specialized areas of compliance risk whereas the enterprise risk assessment encompasses strategic and operational risks.

Each of these assessments and recommended mitigation actions are reviewed by the Risk and Compliance Committee and Integrated Risk Council, which are detailed below, and are reported to the Audit Committee.

Risk management is not ERM's responsibility alone. We view enterprise risk management as inextricably linked with an internal control environment and have an overarching policy that covers both internal control and enterprise risk management. We also have other key processes designed to reduce risk, including executive planning panel reviews of proposals, disclosure controls committee reviews of risks, and comprehensive external and internal audit processes.

The Risk and Compliance Committee and the Integrated Risk Council

Management formally reviews enterprise risk management through a Risk and Compliance Committee (RCC) and an Integrated Risk Council (IRC), as well as periodically during executive leadership team meetings. The RCC meets on a quarterly basis and its primary purpose is to (i) oversee the Company's enterprise risk management program and report to the IRC; (ii) support the Lockheed Martin strategic planning process through identification and management of key risks and opportunities; (iii) provide a forum for business segment and corporate functional representatives to communicate, coordinate and collaborate on their respective risk management activities; and (iv) provide a forum for approval of the Company's mandatory business conduct and compliance training. In 2022, we formally assigned specific responsibilities for oversight of elements of our sustainability initiatives to the RCC, further enhancing the integration of our sustainability and risk management programs. Our Audit Committee Chair has participated in an RCC meeting. The next level of review in the process is the smaller IRC, which provides a more strategic perspective. The IRC primarily oversees the RCC and reviews the enterprise risk management activities to conduct strategic, operational and compliance risk management; its members inform other senior executives and the Board of those efforts.

Coca-Cola 2023 Proxy Statement

Coca Cola enhanced its risk oversight graphic to highlight its use of outside advisors and experts, reference its timeframe for evaluating risks, and include more detail on its ERM process and interactions between the Board and management.

Oversight of Risk

The Board has designed a risk governance framework to:

- understand critical risks in the Company's business and strategy;
- allocate responsibilities for risk oversight among the full Board and its committees;
- evaluate the Company's risk management processes and whether they are functioning adequately;
- facilitate open communication between management and Directors;
- leverage the expertise of internal subject matter experts and external advisors, as needed; and
- foster an appropriate culture of integrity and risk awareness.

One of the Board's key responsibilities is understanding and overseeing management of the various risks facing the Company over the short, medium and long term. The Board draws on the experience and judgment of all Directors to consider these risks. However, the Board recognizes that it is neither possible nor prudent to eliminate all risk. Rather, the Board believes that purposeful and appropriate risk taking is essential for the Company to compete successfully around the world and to achieve the Company's strategic objectives.

The Board recognizes that the risks facing the Company vary in likelihood, magnitude and immediacy. At the same time, the Board also recognizes that many risks are related to opportunities or strategic initiatives designed to grow the Company's business. In administering its risk oversight function, the Board considers the potential impacts of risks, both positive and negative, over various time horizons, informed by the Company's enterprise risk management ("ERM") program.

Board of Directors

The Company believes that its Board leadership structure supports the Board's oversight function. The Board implements its risk oversight function both as a whole and through delegation to Board committees, which meet regularly and report back to the Board.

Audit

Oversees the Company's financial statements and the financial reporting process. Oversees accounting and legal matters, the internal audit function, ethics programs (including the Codes of Business Conduct), quality and food safety programs, workplace and distribution safety programs, and information technology security programs, including cybersecurity.

Corporate Governance and Sustainability

Oversees the Company's governance practices, Board composition and refreshment, Board committee leadership, the Board's performance review and succession planning across the most senior positions. Administers the Company's related person transaction policy. Also oversees the Company's risks, policies, programs and goals with respect to sustainability, legislative, regulatory and public policy matters.

Finance

Oversees the Company's capital structure, pension plan investments, currency risk and hedging programs, taxes, mergers and acquisitions, and capital projects.

Talent and Compensation

Oversees the Company's policies and strategies relating to talent, leadership and culture, including DEI, as well as the Company's compensation philosophy and programs, including incorporating features that mitigate risk without diminishing the incentive nature of compensation.

Management

While the Board and its committees oversee risk management, Company management is charged with managing risk. The Company has robust internal processes and an effective internal control environment that facilitate the identification and management of risks and regular communication with the Board. Management communicates routinely with the Board, Board committees and individual Directors on the significant risks identified and how they are being managed. Directors are free to, and indeed often do, communicate directly with senior management.

Enterprise-Wide Teams and Risk Mitigation Efforts

Cross-functional committees and councils including the Disclosure Committee, Sustainability Steering Committee, Data Trust Executive Advisory Council and Cybersecurity Oversight Council meet regularly to promote strategic leadership and provide management with important perspectives, as well as advise on risk mitigation strategies from their areas of specialization. Management also administers other risk mitigation features such as Codes of Business Conduct, robust product quality standards and processes, a strong Legal Department and Ethics and Compliance Office, and a comprehensive internal and external audit process.

ERM Program and Risk Steering Committee

The ERM program was created to proactively identify and address risks and related opportunities and help achieve business objectives through risk-informed decision making. Responsibilities include identification and prioritization of the top risks through a comprehensive risk assessment process, designation of clear risk ownership, and facilitation of a collaborative environment that promotes risk dialogue internally and with various bottling partners. The Risk Steering Committee is a cross-functional team that meets regularly to provide strategic direction and oversight to ERM by assessing mitigation plans of top risks and effectively embedding the plans across the Company.

Outside Advisors

Management and our Board and its committees also engage outside advisors where appropriate to assist in the identification, oversight, evaluation and management of the risks facing our business. Advisors may be engaged either on a regular basis to inform the Board or management of ongoing risks, or occasionally to advise on specific topics. Such advisors include auditors, law firms, financial firms, compensation consultants, cybersecurity experts and other consultants. For example, the Audit Committee has for many years retained independent counsel, who attends and participates in all meetings of the Committee and regularly consults with the Chair of the Committee.

PepsiCo 2023 Proxy Statement

PepsiCo expanded its Board risk oversight graphic and styled it as a "Risk Management Framework." The updated graphic includes all the management-level committees that address risk identification and mitigation, including the Disclosure Committee. The lead-in text to this graphic also highlights how PepsiCo's risk oversight and disclosure controls processes are designed to escalate key risks to the Board.

The Board's Oversight of Risk Management

The Board recognizes that the achievement of our strategic and operating objectives involves risks, many of which evolve over time. The Board has oversight responsibility for PepsiCo's integrated risk management framework, which is designed to identify, assess, prioritize, address, manage, monitor and communicate these risks across the Company's operations, and foster a corporate culture of integrity and risk awareness. Consistent with this approach, one of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of the Company's business, including risk assessment and risk mitigation of the Company's top risks.

The Board receives and provides feedback on regular updates from management regarding the Company's top risks, including updates from members of management responsible for overseeing impacted areas, governance processes associated with managing these risks, the status of projects to strengthen the Company's risk mitigation efforts and recent incidents impacting the industry and threat landscape. In evaluating top risks, the Board and management consider short-, medium-, and long-term potential impacts on the Company's business, financial condition, and results of operations, including looking at the internal and external environment when evaluating risks, risk amplifiers and emerging trends, and considers the risk horizon as part of prioritizing the Company's risk mitigation efforts. The Board receives updates through presentations, memos and other written materials, teleconferences, and other appropriate means of communication, with numerous opportunities for discussion and feedback, and continuously evaluates its approach in addressing top risks as circumstances evolve. PepsiCo's risk oversight processes and disclosure controls and procedures are designed to appropriately escalate key risks to the Board as well as to analyze potential risks for disclosure.

The Board also receives periodic updates from external experts and advisers on global macroeconomic trends and conditions that may impact the Company's strategy and financial performance, including geopolitical conflicts, economic instability, labor market trends, changing consumer behavior, retail disruption, and digitalization.

Risk Management Framework

BOARD OVERSIGHT

Board of Directors
The Board has oversight responsibility for PepsiCo's integrated risk management framework. Throughout the year, the Board and the relevant Committees receive updates from management with respect to various enterprise risk management issues and dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail, including risks related to cybersecurity, food safety, sustainability, human capital management, including diversity, equity and inclusion, and supply chain and commodity inflation.

The Board has tasked designated Comm
the Committees report to the Board regu

Audit Committee
Reviews and assesses the guidelines and
the Company's risk management and ov
and assists with the Board's oversight of fin
and employee safety risks facing the Cor

The Audit Committee also assists the Boa
of the Company's compliance with legal
requirements, and the General Counsel a
Compliance & Ethics Officer, who reports
Counsel, each meets regularly with the A
including in executive session without man

Compensation Committee
Reviews the Company's employee comp
and practices to assess whether such po
practices could lead to unnecessary risk-

Sources of Risk Identification & Mitigation

PepsiCo Risk Committee (PRC)
- Comprised of a cross-functional, geographically diverse, senior management group, including PepsiCo's Chairman of the Board of Directors and Chief Executive Officer, Chief Financial Officer, General Counsel, Sector Chief Executive Officers and the heads of Corporate Affairs, Human Resources, Research & Development, Information Technology, Sustainability, Strategy, Transformation, International Beverages, Commercial, Global Operations, Marketing, and Financial Planning & Analysis
- Meets regularly to identify, assess, prioritize and address top strategic, financial, operating, compliance, safety, reputational, and other risks
- Responsible for reporting progress on risk mitigation efforts to the Board

Division/Key Country Risk Committees
- Comprised of cross-functional senior management teams
- Meet regularly to identify, assess, prioritize and address division and country-specific business risks

Risk Management Office (RMO)
- Manages the overall risk management process
- Provides ongoing guidance, tools and analytical support to the PRC and division and key country risk committees
- Identifies and assesses potential risks and facilitates ongoing communication between the parties, as well as the Board and Committees of the Board

Internal Audit Department
- Evaluates the ongoing effectiveness of key internal controls through periodic audit and review procedures

Law and Compliance & Ethics
- Lead and coordinate compliance policies and practices

Disclosure Committee
- Comprised of the General Counsel, Controller and heads of Internal Audit, Financial Planning & Analysis and Investor Relations
- Evaluates information from PepsiCo's integrated risk management framework as part of the Disclosure Committee's monitoring of the integrity and effectiveness of the Company's disclosure controls and procedures

Independent Chair – Input from Shareholders

Those companies with an Independent Chair were asked to disclose why they believe this leadership structure is appropriate, as well as the circumstances in which they would consider having a combined Chair/CEO, when they would notify shareholders of this change, and whether they would seek prior shareholder input.

Healthpeak 2023 Proxy Statement

Healthpeak significantly expanded its Board leadership section. In 2022, the company appointed one of its independent directors as the independent Vice Chair, a newly-created position to support Board refreshment and future Board leadership roles. In the new discussion, Healthpeak notes that the Board considers the views of institutional investors, proxy advisory firms and governance trends in assessing its leadership structure, and it would decide whether and when to seek prior stockholder input on any change.

Board Leadership Structure

Independent Chairman and Vice Chair

As part of its ongoing evaluations, our Board carefully considers the appropriate Board leadership structure, taking into account each director's skills, experience and perspectives, as well as the current and future needs of the Company and our Board.

Our Board has determined that an appropriate structure for the Company and its stockholders at this time includes an independent Chairman of the Board and independent Vice Chair. These roles effectively allocate authority, responsibility and oversight between management and the independent members of our Board. This structure gives primary responsibility for the operational leadership and strategic direction to the CEO, while enabling our independent Chairman and Vice Chair to facilitate our Board's oversight of management, promote communication between management and the Board and support our Board's consideration of key governance and ESG matters.

Our Corporate Governance Guidelines outline the considerations relating to our Board leadership. These considerations include potentially filling the positions of Chairman of the Board and CEO by one individual or two different individuals as the Board determines is appropriate. The Board believes it is important to structure its leadership based upon its assessment of the Company's needs including, without limitation, our business, strategic opportunities and succession planning priorities. Our Board also takes into account the views of institutional investors and proxy advisory firms, as well as governance and industry trends.

We engage in ongoing stockholder outreach and dialogue on a variety of issues, including with respect to corporate governance matters such as our Board's composition and leadership structure. In addition, our independent Chairman, independent Vice Chair and independent Board committee chairs represent the Board in stockholder outreach and engagement as they deem necessary or advisable. Should our Board determine that a combined Chairman and CEO position is appropriate, our Board would decide whether and when to seek additional prior stockholder input, balancing the needs of the Company and the considerations driving the timing and disclosure of the appointment.

Brian G. Cartwright serves as our independent Chairman of the Board. Our Chairman actively manages our Board by:

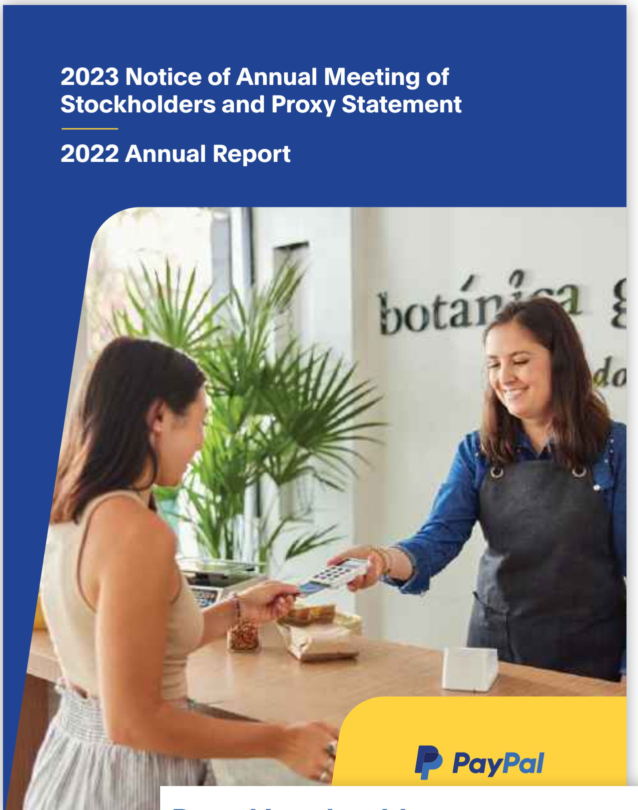
- Presiding at all meetings of our Board
- Establishing the agenda for each Board meeting in consultation with our management team
- Calling and presiding at executive sessions of the Independent Directors
- Engaging with management on topics discussed in executive session as needed

In connection with the above responsibilities, our Chairman leads our Board in overseeing the management and direction of the Company; however, any specific actions taken in connection with this oversight responsibility are exercised by our full Board or any Board committee to which authority has been delegated by our Board, and not by any individual director.

Katherine M. Sandstrom serves as our independent Vice Chair of the Board. Our Vice Chair supports our Board by helping to plan for future Board leadership roles and succession, as well as orderly director refreshment, including actively overseeing the search for potential director candidates.

PayPal 2023 Proxy Statement

PayPal noted that it considers the views of its stockholders and other stakeholders when reviewing its leadership structure, and advised that any changes would be promptly reflected on its website.



Board Leadership

The Board's leadership structure is designed to promote Board effectiveness and to appropriately allocate authority and responsibility between the Board and management. The Board believes that separating the Chair and CEO positions continues to be the appropriate leadership structure for the Company at this time, as it provides the Company and the Board with strong leadership and independent oversight of management and allows the CEO to focus primarily on the management and operation of our business. Factors that the Board considers in reviewing its leadership structure and making this determination include, but are not limited to, the current composition of the Board, the policies and practices in place to provide independent Board oversight of management, the Company's circumstances and the views of our stockholders and other stakeholders. Changes in the Board's leadership structure will be reflected on our website shortly after becoming effective and disclosed in compliance with applicable regulatory requirements.

Deborah Koenen

Management Succession and Leadership Transitions

Management succession is viewed as one of the Board's most important functions, yet not all companies include an explanation of this critical Board responsibility in their proxy statement. Over the last few years, in response to stakeholder interest, more companies are describing their processes, including the importance the Board places on this activity and the committee charged with primary oversight responsibility. Best practice companies are also providing enough details to illustrate a continuous and robust review, disclosing specifics such as the frequency and types of review, internal participants involved, role of diversity in the executive search and whether an independent third party is used. Some companies indicate they have processes to find near-, medium-, and long-term succession alternatives under alternative scenarios, e.g., anticipated or unexpected departures. Some companies even disclose the individual who would succeed the CEO in the near term.

Another important aspect of succession disclosures relates to the opportunities afforded the Board to meet other high-potential leaders. Many companies describe the formal and informal circumstances under which the Board is exposed to senior leaders. Other common disclosures include whether there is an emergency succession plan in place for the CEO, a calendar that outlines the type and frequency of succession reviews, and/or a timeline of management changes.

Management succession can be included in a stand-alone section or within a company's risk oversight or human capital management disclosures. In addition, succession is often referred to in the Board's letter, may be listed as one of the shareholder engagement topics or listed as a key attribute of certain of the company's directors. Some companies even refer to changes to succession processes as one of the outputs of a Board's self-evaluation exercise.

More fulsome succession planning disclosures are provided throughout the proxy statement after a significant leadership transition occurs. Disclosures are often found in multiple sections - the Board letter, Proxy Summary, shareholder engagement, corporate governance/risk and CD&A. Companies strive to depict a multi-year, thoughtful process with multiple inputs, including the use of an independent consulting firm. Some companies reference development and coaching plans for key executives and disclose a timeline of key decisions. Once a successor is chosen, some companies explain the mechanisms they put in place to ensure a seamless transition.

Benchmark Findings

57.6%
The document includes a dedicated section, sub-section or callout discussing the board's role in management succession planning

28.8%
Its own section

16.8%
A subsection in Risk Oversight

2.4%
A subsection in HCM

20.0%
The CD&A executive summary included a discussion about changes in leadership

4.0%
The letter from leadership discussed leadership transition/changes

4.0%
The document includes a letter from the Compensation Committee that discussed leadership changes

Examples

JPMorgan 2023 Proxy Statement

JPMorgan included narrative disclosure in both the corporate governance and executive compensation sections. The company identifies the executive that is immediately ready to step into the role of CEO should circumstances warrant.

Executive performance, talent management and succession planning

The CMDC reviews the Firm's performance periodically during the course of the year, and formally, at least annually. The CMDC's review of the CEO's performance is presented to the Board in connection with the Board's review of executive officer annual compensation. In addition, the CMDC provides individual OC members with opportunities to discuss top talent within their respective LOBs and Corporate Functions, including progress on attracting and retaining top diverse talent.

In accordance with our Governance Princip
planning is considered at least annually by
management directors with the CEO. The C
succession plan for the CEO in preparation
the Board, with such discussion guided by t
Independent Director. These discussions cc
recommendations, evaluations and develo
potential CEO successors and occur with ar
In planning an orderly CEO transition that will take place in
the medium-term, the Board has developed and will continue
to develop a list of OC members as strong internal candidates
to pote
review
the CE
critical

The Board has numerous opportunities to meet with, and assess development plans for, members of the OC and other high-potential senior management leaders. This occurs through various means, including informal meetings, presentations to the Board and its committees, and Board dinners. For further information, see Compensation Discussion and Analysis ("CD&A") on page 41.

SUCCESSION PLANNING

Succession planning is a priority for the Board and the Firm's senior leadership, with the objective of having a pipeline of top and diverse executives who lead inclusively for today and the future. We have implemented a disciplined executive talent management and succession planning process that includes LOBs and Functions holding talent review discussions within their management teams and identifying potential successors for key leadership roles.

One of the Board's top priorities is succession planning for Mr. Dimon, which entails enabling an orderly CEO transition to take place in the medium-term. As part of this succession plan, the Board has developed, and will continue to develop, several Operating Committee members who are well-known to shareholders as strong potential candidates to succeed Mr. Dimon. Should the need arise in the near-term, the Board views Mr. Pinto as a key executive who is immediately ready to step into the role of sole CEO. Mr. Pinto's exceptional leadership capabilities are well-known to our shareholders and he has previously served as co-CEO of the Firm during Mr. Dimon's unplanned absence in 2020 due to prior unforeseen circumstances. The Board has well-developed processes in place to support proper governance. This includes the CMDC regularly reviewing the succession plan for the CEO and the Lead Independent Director regularly leading succession discussions with the non-executive directors of the Board. The CMDC also reviews the succession plan for members of the Operating Committee other than the CEO, which is also discussed by the full Board of Directors. This is in addition to Board discussions of talent management, which occur frequently throughout the year.

Below our Operating Committee level, the Firm continues to focus on our leadership pipeline through enhanced data and reporting capabilities to drive manager excellence and accountability in processes, including our mobility and promotion pipeline from Executive Director to Managing Director.

Wells Fargo 2023 Proxy Statement

Wells Fargo uses a simple infographic to show the ongoing annual nature of succession planning.

Other Corporate Governance Policies and Practices

Management Succession Planning and Development

A primary responsibility of our Board is identifying and developing executive talent at our Company. The Board has assigned to the HRC the responsibility to oversee the Company's talent management and succession planning process, including the CEO evaluation and succession planning. The CEO and management annually report to the HRC and the Board on succession planning (including plans in the event of an emergency) and management development, and provide the HRC and the Board with an assessment of persons considered potential successors to certain senior management positions.

The Board engages in an annual succession planning process through which it identifies potential management successors. Our talent review process for senior management roles also includes diverse talent reviews for business and enterprise function groups across the Company. As part of talent and succession planning, the Board uses defined attributes for the qualities the Board seeks in the CEO and other senior leaders. The HRC and the Board annually assess and update, as appropriate, those attributes as part of our succession planning process.

Annual Assessment Process

Ongoing Interactions Between Management and Board	Management regularly identifies high-potential executives for additional responsibilities, new positions, promotions, or similar assignments to expose them to diverse operations within our Company, with the goal of developing well-rounded, experienced, and discerning senior leaders.
HRC Review	Annually, the CEO and Human Resources executives collaborate with the HRC to prepare and evaluate management development and succession plans, and the HRC reports to the full Board on its reviews. The HRC conducts an in-depth review of talent management and succession plans and provides input and feedback.
Board Review	Annually, the full Board conducts an in-depth review of talent management and succession plans and provides input and feedback.
Board Assessment	Annually, the Board assesses CEO and management talent development and succession planning processes, including DE&I, as part of its evaluation of the Board's effectiveness.

Allstate 2023 Proxy Statement

Allstate uses a calendar infographic to show frequency and type of reviews.

Board Role in Succession Planning

The Board's involvement in leadership development and succession planning is systematic and ongoing. Management succession is discussed four times annually in compensation and human capital committee meetings, Board meetings, and executive sessions. Discussions cover the CEO and other senior executive roles. The Board also has regular and direct exposure to senior leadership and high-potential officers in meetings held throughout the year.

Board Reviews Management Leadership Succession Planning Continuously throughout the Year

April
CEO Succession

Topic:
CEO succession planning

Primary Focus:
- Internal succession alternatives across multiple time periods – immediate, less than 2 years, and 3-5 years
- Alternatives are evaluated under different strategic and operating scenarios

July
Talent Development

Topic:
Organizational health and pay fairness analyses – how the organization recruits, develops and retains people, including its inclusive diversity and equity commitments

Primary Focus:
- Systematic approach to talent acquisition, development, and retention

September
Key Leader Succession

Topic:
Senior leadership succession alternatives

Primary Focus:
- Key leader development and retention

November
Scenario Planning

Topic:
CEO and senior leadership scenario succession planning

Primary Focus:
- Board dialogue in advance of unexpected succession issues

MSCI 2023 Proxy Statement

MSCI uses a mix of narrative and infographic and includes an emphasis on DEI, ongoing exposure to high-potential leaders and timeline of management changes.


2023 PROXY STATEMENT | 51

Management Succession Planning

One of the Board's principal responsibilities is to ensure appropriate succession and progression plans are in place for our senior management, including reviewing our executive talent and our potential leadership bench. The Compensation Committee oversees the process for succession and progression planning for senior management positions and reports on its activities to the full Board. Our CEO and our President and COO also meet regularly with our functions to review talent plans with an aim to identify top talent, including diverse talent, who have the most potential to progress to senior roles at MSCI.

To align the management succession and progression process with MSCI's strategic objectives, the Compensation Committee consults with the CEO to periodically review the Company's plans, including for the CEO and other executives. This process covers selection, succession in the event of incapacity, retirement or removal of an executive, and evaluations of, and development plans for, any potential successors to each of the executives. Our Board generally conducts an in-depth review of senior leader development and succession and progression planning at least once a year. Led by the CEO, the Chief Human Resources Officer and the Global Head of Talent, this review addresses MSCI's management development initiatives, assesses senior management resources and identifies individuals who should be considered as potential future senior leaders at MSCI, as well as opportunities to hire strategically from the market. The Compensation Committee also annually reviews contingency planning for our Chief Executive Officer and members of our Management Committee.

52 | MSCI | Corporate Governance

Over the last year, the Company made the following senior management appointments from its succession and progression pools:

JANUARY 2022

- Former Head of ESG and Climate promoted to Chief Product Officer and Head of Index
- Former Head of ESG Products promoted to Head of ESG and Climate
- Former Head of Americas Index Client Coverage promoted to Head of Client Coverage – Americas

JUNE 2022

- Former Strategy and Corporate Development Managing Director promoted to Head of Investor Relations and Treasurer

NOVEMBER 2022

- Chief Diversity Officer promoted to Chief Responsibility and Diversity Officer

Compensation, Talent and Culture Governance

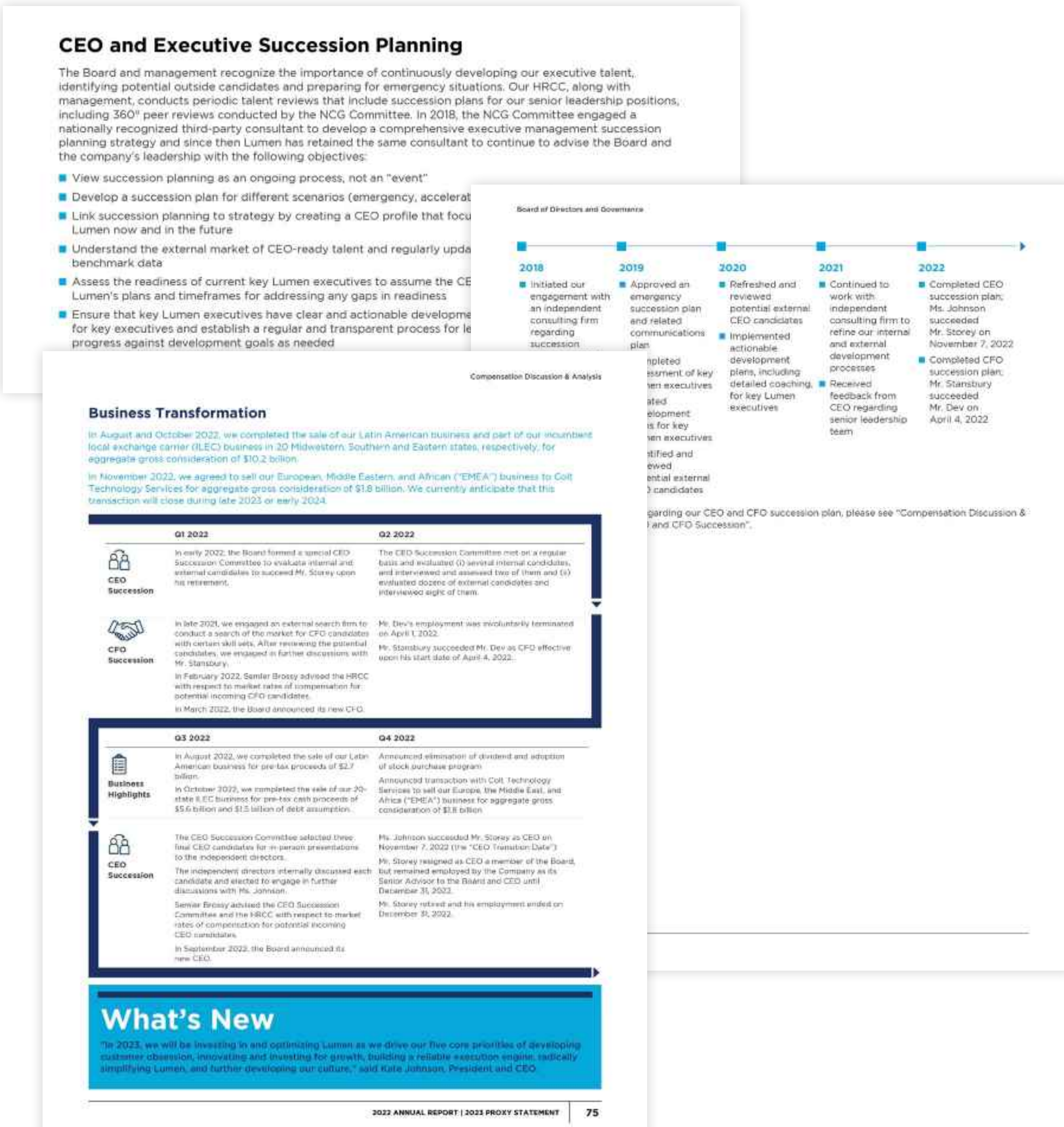
The Compensation Committee operates under a written charter adopted by the Board and is responsible for reviewing and approving annually all compensation awarded to the Company's Executives, including the CEO and our other NEOs. The Compensation Committee also regularly engages with our CEO, President and COO, Chief Human Resources Officer, Chief Responsibility and Diversity Officer and other members of senior leadership on a broad range of human capital management topics. The Board regularly receives reports from the Compensation Committee on human capital management topics throughout the year. The Compensation Committee annually reviews the Company's talent management strategies and programs with respect to senior levels in the organization, including the Company's DE&I strategies and programs and key performance metrics, and periodically reviews open senior management roles, future talent needs, the Company's corporate culture and learning and development programs, as well as the results of the Company's employee engagement survey. See page 36 of this Proxy Statement for additional information on the Compensation Committee's responsibilities.

The principal compensation plans and arrangements applicable to our NEOs are described in the "Compensation Matters" section of this Proxy Statement and the executive compensation tables included therein. The Compensation Committee may delegate the administration of these plans and arrangements, as appropriate, including to one or more officers of the Company, subcommittees or to the Chair of the Compensation Committee, in each case, when it deems doing so to be appropriate, in the best interests of the Company and consistent with applicable law and NYSE requirements.

The Compensation Committee has the authority to retain and terminate any compensation consultant assisting the Compensation Committee in the evaluation of CEO or other executive officer compensation. As further described in the "Compensation Discussion and Analysis" section included herein, during 2022, the Compensation Committee continued to retain Semler Brossy Consulting Group, LLC ("Semler Brossy") as its own independent compensation consultant to review CEO and other executive officer compensation. All of the services provided by Semler Brossy to the Compensation Committee during 2022 were to provide advice or recommendations on the amount or form of executive officer and director compensation, and Semler Brossy did not provide any additional services to the Company during 2022. The Compensation Committee has considered, among other things, the factors delineated in Rule 10C-1 under the Exchange Act ("Rule 10C-1"), including the NYSE listing rules implementing Rule 10C-1 and Semler Brossy's conflict of interest policies, and determined that the engagement of Semler Brossy does not raise any conflict of interest or other factors that compromise the independence of its relationship with the Compensation Committee. In developing its views on compensation matters and determining the compensation awarded to our CEO and other executive officers, the human resources department provides data and analyses to aid the Compensation Committee in its decisions. The CEO also makes recommendations on compensation for executive officers other than himself and the Compensation Committee takes these recommendations into account in reaching its compensation decisions. From time to time, the Compensation Committee may obtain input from external legal counsel, including Davis Polk & Wardwell LLP ("Davis Polk"), on compensation award documentation and other compensation-related practices, which in 2022 was communicated to the Compensation Committee via management, the legal department or the human resources department. In light of this relationship, the Compensation Committee has considered, among other things, the factors delineated in Rule 10C-1, including the NYSE listing rules implementing Rule 10C-1 and Davis Polk's Principles and Guidelines for Advice to Compensation Committees.

Lumen 2023 Proxy Statement

After two key leadership changes, Lumen included extensive disclosure in both the corporate governance and executive compensation sections. The company uses calendars to depict the multi-year process that also involved the engagement of an independent search firm.



CEO and Executive Succession Planning

The Board and management recognize the importance of continuously developing our executive talent, identifying potential outside candidates and preparing for emergency situations. Our HRCC, along with management, conducts periodic talent reviews that include succession plans for our senior leadership positions, including 360° peer reviews conducted by the NCG Committee. In 2018, the NCG Committee engaged a nationally recognized third-party consultant to develop a comprehensive executive management succession planning strategy and since then Lumen has retained the same consultant to continue to advise the Board and the company's leadership with the following objectives:

- View succession planning as an ongoing process, not an "event"
- Develop a succession plan for different scenarios (emergency, accelerat
- Link succession planning to strategy by creating a CEO profile that focu Lumen now and in the future
- Understand the external market of CEO-ready talent and regularly upda benchmark data
- Assess the readiness of current key Lumen executives to assume the CE Lumen's plans and timeframes for addressing any gaps in readiness
- Ensure that key Lumen executives have clear and actionable developme for key executives and establish a regular and transparent process for le progress against development goals as needed

Board of Directors and Governance

2018	2019	2020	2021	2022
Initiated our engagement with an independent consulting firm regarding succession	Approved an emergency succession plan and related communications plan	Refreshed and reviewed potential external CEO candidates Implemented actionable development plans, including detailed coaching, for key Lumen executives	Continued to work with independent consulting firm to refine our internal and external development processes Received feedback from CEO regarding senior leadership team	Completed CEO succession plan; Ms. Johnson succeeded Mr. Storey on November 7, 2022 Completed CFO succession plan; Mr. Stansbury succeeded Mr. Dev on April 4, 2022

Compensation Discussion & Analysis

Business Transformation

In August and October 2022, we completed the sale of our Latin American business and part of our incumbent local exchange carrier (ILEC) business in 20 Midwestern, Southern and Eastern states, respectively, for aggregate gross consideration of $10.2 billion.

In November 2022, we agreed to sell our European, Middle Eastern, and African ("EMEA") business to Colt Technology Services for aggregate gross consideration of $1.8 billion. We currently anticipate that this transaction will close during late 2023 or early 2024.

	Q1 2022	Q2 2022
CEO Succession	In early 2022, the Board formed a special CEO Succession Committee to evaluate internal and external candidates to succeed Mr. Storey upon his retirement.	The CEO Succession Committee met on a regular basis and evaluated (i) several internal candidates, and interviewed and assessed two of them and (ii) evaluated dozens of external candidates and interviewed eight of them.
CFO Succession	In late 2021, we engaged an external search firm to conduct a search of the market for CFO candidates with certain skill sets. After reviewing the potential candidates, we engaged in further discussions with Mr. Stansbury. In February 2022, Semler Brossy advised the HRCC with respect to market rates of compensation for potential incoming CFO candidates. In March 2022, the Board announced its new CFO.	Mr. Dev's employment was involuntarily terminated on April 1, 2022. Mr. Stansbury succeeded Mr. Dev as CFO effective upon his start date of April 4, 2022.

	Q3 2022	Q4 2022
Business Highlights	In August 2022, we completed the sale of our Latin American business for pre-tax proceeds of $2.7 billion. In October 2022, we completed the sale of our 20-state ILEC business for pre-tax cash proceeds of $5.6 billion and $1.5 billion of debt assumption.	Announced elimination of dividend and adoption of stock purchase program Announced transaction with Colt Technology Services to sell our Europe, the Middle East, and Africa ("EMEA") business for aggregate gross consideration of $1.8 billion
CEO Succession	The CEO Succession Committee selected three final CEO candidates for in-person presentations to the independent directors. The independent directors internally discussed each candidate and elected to engage in further discussions with Ms. Johnson. Semler Brossy advised the CEO Succession Committee and the HRCC with respect to market rates of compensation for potential incoming CEO candidates. In September 2022, the Board announced its new CEO.	Ms. Johnson succeeded Mr. Storey as CEO on November 7, 2022 (the "CEO Transition Date"). Mr. Storey resigned as CEO a member of the Board, but remained employed by the Company as its Senior Advisor to the Board and CEO until December 31, 2022. Mr. Storey retired and his employment ended on December 31, 2022.

What's New

"In 2023, we will be investing in and optimizing Lumen as we drive our five core priorities of developing customer obsession, innovating and investing for growth, building a reliable execution engine, radically simplifying Lumen, and further developing our culture," said Kate Johnson, President and CEO.

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Honeywell 2023 Proxy Statement

In addition to succession planning, Honeywell also describes the Board's continued evaluation of the successor's readiness for the CEO role and related transition planning to ensure a seamless transition.

CORPORATE GOVERNANCE

LEADERSHIP SUCCESSION PLANNING

One of the most critical responsibilities of our Board is to ensure continued performance over the long-term through effective succession planning. The MDCC and the full Board routinely consider internal and external candidates for senior leadership positions under both near- and long-term planning scenarios, taking into account demonstrated performance, leadership qualities, strategic acumen, and potential to take on the most complex responsibilities. For our top leadership roles, succession planning relies on the ongoing and purposeful recruitment and development of top leadership talent over time, and for the CEO position, the Board establishes and then executes against a rigorous succession planning program to evaluate and select a lead candidate who is then assessed over time while performing against a robust development plan.

On March 14, 2023, the Company announced that Vimal Kapur, currently President and Chief Operating Officer of the Company, will succeed Darius Adamczyk as CEO on June 1, 2023, with Mr. Adamczyk continuing to serve as Executive Chairman of the Board. This CEO succession plan is the product of the Board's disciplined execution of a rigorous, thoughtful, and well-designed approach to succession planning:

- **Candidate Evaluation**. The Board established clear criteria for evaluating potential candidates, with a focus on selecting the candidate best able to adapt quickly to changing and unpredictable demands. Candidates were evaluated against these criteria through structured interviews, case studies, and cognitive ability tests. Finalists were also required to develop a strategic plan for presentation to and discussion with the full Board.
- **Candidate Selection**. Based on the inputs described above, the Board selected Mr. Kapur as the top CEO candidate and established a development plan based on his assessment results to continue to evaluate Mr. Kapur's readiness to be CEO against this defined framework. The Board also established a milestone-based transition plan for Mr. Kapur to onboard additional responsibilities over time to facilitate the Board's continued evaluation of his ability to succeed as CEO.
- **Ongoing Assessment**. The Board regularly assessed Mr. Kapur's performance against the development plan. Through management reports on observed progress and the Board's own direct assessment of Mr. Kapur's results and personal development, the Board continued to evaluate Mr. Kapur's candidacy and readiness for the CEO role before making the final determination.
- **Leadership Transition Planning**. To facilitate the CEO transition, enable continuity, and continue to benefit from Mr. Adamczyk's expertise and leadership, the Board determined that it is in the best interest of Honeywell and its shareowners to retain Mr. Adamczyk as Executive Chairman, and following his retirement from the Board, as a Senior Advisor. To this end, the MDCC worked with Mr. Adamczyk to establish a transition arrangements letter agreement to formalize the terms of this transition.

2023 NOTICE AND PROXY STATEMENT | Honeywell 41

Foot Locker 2023 Proxy Statement

The first page of Foot Locker's Board letter discusses the leadership transition, and the succession disclosure includes a commitment that the search firm will include diverse candidates in its initial list of candidates.

MESSAGE FROM OUR NON-EXECUTIVE CHAIR

DEAR FELLOW SHAREHOLDERS:

I am incredibly honored to serve *you*, our shareholders, as Non-Executive Chair of the Board. Foot Locker, Inc. is an iconic company that has shaped sneaker culture for nearly fifty years. Over the course of my time on the Board, I have seen the industry evolve and the Company continue to adapt to meet ongoing challenges in the marketplace. On behalf of the Board, I am thrilled to be working with Mary Dillon and the rest of the management team on this next chapter to position the Company for the next 50 years. I am pleased to share with you some highlights regarding the recent work we have done to create long-term, consistent shareholder value:

- **CEO Succession Planning.** CEO succession is the Board's top priority and it is guided by a very intentional process. The HCC Committee, the NCR Committee, and the full Board are each focused on, and share responsibility in, CEO succession planning. The Board regularly reviews management development and succession planning to maximize the pool of talent who can assume the top job without undue interruption. Our recent planned, thoughtful, and multi-year CEO succession process, which led to the appointment of Mary Dillon, consisted of an assessment of both internal candidates and external talent identified by an executive search firm. In assessing the candidates, our independent directors identified the skills, experiences, and attributes they believed would be required to be an effective leader in light of the Company's opportunities. Since then,
the CEO transition from Dick Johnson to Mary Dillon has been seamle
Board, I extend our deepest gratitude to Dick Johnson for his dedicati
countless contributions. Dick Johnson had a distinguished 26-year ca
including eight years as CEO, over which he has left an indelible mark
Looking forward, the Board is unanimous in its belief that Mary Dillon i
addition to Foot Locker's dynamic and diverse leadership team. Her e
consumer-driven businesses, building robust brand portfolios, and en
culture, is deeply aligned with Foot Locker's strategy. The Board is co
is the ideal person to lead the Company forward as CEO.
- **Board Leadership and Committee Refreshment.** Ongoing Board
to ensure we have the right mix of skills, diversity, and expertise to su
progress. In addition to his service as CEO, I also want to thank Dick
eight-year tenure on our Board, including over six of those years as C
honor serving on the Board with Dick Johnson. After careful considera
consistent with best practices, the Board determined that the Chair a
be separated and that I would transition from Lead Independent Direc
Chair. In this new role, I look forward to closely partnering with our CE
smooth transition is a testament to the succession planning process a
strong governance. Also, because the Board believes deeply that it m
purpose and provide strategic value to the Company, given the Board
the Company's technology and digital engagement oversight respons
significant GTS investments included in our **"Lace Up" Plan**, the Boa
the Finance Committee, and established the Technology Committee.
certain responsibilities of the Finance Committee were assigned to the
the balance sitting with the full Board, and certain responsibilities of th
were assigned to the Technology Committee. These changes reflect t
alignment with the Company's strategy.

"Our recent Chair and CEO transitions were the culmination of a multi-year succession planning process and reflect our track record of active

5 FOOT LOCKER, INC.

GOVERNANCE

HUMAN CAPITAL MANAGEMENT AND SUCCESSION PLANNING OVERSIGHT

The Board believes that the strength of the Company's workforce is one of the significant contributors to our success as a global company that leads with purpose. One of the primary responsibilities of the Board is to ensure that the Company has a high-performing CEO and management team. To meet that goal, the Board, the HCC Committee, the NCR Committee, and management share responsibility for management development and succession planning, guided by a very intentional process:

Responsible Party	Oversight Area
Board	Oversight of these topics as part of its overall oversight role, including regular reviews of management development and succession planning to maximize the pool of emerging diverse talent who can assume top management positions without undue interruption. The Board is committed to actively seeking highly-qualified diverse individuals from a range of backgrounds—in terms of gender, ethnicity, and perspectives—to include in the pool of potential candidates. In assessing possible CEO and other senior leadership candidates, our independent directors identify the skills, experiences, and attributes they believe are required to be an effective leader in light of the Company's global business strategies, opportunities, and challenges. This process is designed to prepare the Company for both expected successions, such as those arising from anticipated retirements, as the Company experienced in 2022 with Mr. Johnson, as well as those occurring when executives leave unexpectedly, including due to death, disability, or other unforeseen events. Each director has complete and open access to any member of management. Members of management, including those several levels below senior management, are invited regularly to make presentations at Board and committee meetings and meet with directors in informal settings to allow the directors to form a more complete understanding of the executives' skills and character. We maintain updated emergency succession plans for the CEO. Succession reviews for key executive roles consist of an assessment of internal candidates and external talent identified by executive search firms, as well as professional and leadership development plans for internal candidates. To reflect the Company's commitment to diversity, in connection with the use of any search firm to identify potential CEO candidates, the Board requires the search firm to include in its initial list of candidates qualified candidates who reflect diverse backgrounds, including, but not limited to, diversity of race, ethnicity, national origin, gender, and sexual orientation.
HCC Committee	As described in its charter, primary responsibility for organizational talent and development and management succession planning, including regular reviews of executive performance, potential, and succession planning with a deeper focus than the full Board review, emphasizing career development of promising management talent. The Board made human capital management a priority through its HCC Committee, which oversees the Company's strategies and initiatives on diversity and inclusion, employee well-being, compensation and benefits, and engagement.
NCR Committee	As described in its charter, primary responsibility for reviewing and making recommendations regarding the governance and process around CEO succession planning. The Board made ESG a priority through its NCR Committee, which oversees the Company's ESG efforts, including diversity and inclusion and the LEED initiative, which serve as talent recruitment tools.
Management	Collaboration of the Chief Human Resources Officer and senior Human Resources leaders with functional leaders across the Company in developing and implementing programs to attract, assess, and develop management-level talent for possible future senior leadership positions.

For additional information on the Company's human capital management strategies and initiatives, see our Annual Report, which is available at **investors.footlocker-inc.com/ar**.

33 FOOT LOCKER, INC.

Jennifer Cooney

Effective CD&A Summaries: Focused and Transparent

When it comes to CD&A, the goals of the company and the reader converge. Despite the varied approaches to this section and the (sometimes - seemingly endless) pages of detailed disclosures, there are two overarching points about the executive compensation program that companies are trying to make and readers are trying to understand and assess. These points are simple: (1) the program is designed to align pay and performance, and (2) the program works as intended. But as any drafter or reader of disclosure knows, it is quite the feat to "simply" articulate the effectiveness of a compensation program. The CD&A summary provides an opportunity to embrace this challenge and to practice transparency principles.

Contents of the CD&A summary are intended to give the reader a roadmap for what they are about to read. Standard elements include an overview of program elements, summary of incentive plan achievement, governance best practices and a reminder of say on pay results from the prior year. It is the remainder of the CD&A summary that calls for bespoke disclosure. Here the priority should be the most salient points, reflecting the focus of the compensation committee and their primary considerations and decisions. To some extent, it is disclosure restraint that provides the clearest path.

With ongoing focus on executive pay, the CD&A summary may be the most well-read section of the proxy statement. Accordingly, companies should think strategically about the use of these introductory pages. Below are some topics that may be appropriate to consider for inclusion:

- **Rationale for Performance Metrics:** Companies should always explain how and why performance metrics were selected for their incentive programs. When presented in the CD&A summary (instead of separately with the incentive pay detail), a snapshot of all metrics used across the compensation program, side-by-side with the company's strategic priorities, emphasize the pay-for-performance framework design.
- **Performance Highlights:** Many companies include a comprehensive performance highlights at the front of the proxy statement. This approach allows the CD&A summary to focus on measures of performance that directly relate to compensation and the committee's pay decisions. Often this presentation addresses achievement against incentive plan metrics. A brief narrative may also explain the compensation's committee's evaluation of company performance, such as the impact of any changes to the business over the past year or macroeconomic factors affecting the industry.
- **Shareholder Engagement:** In the year(s) following disappointing say on pay results, companies are expected to share details of their outreach efforts, feedback received and actions taken in response. While most companies consider engagement as a broader governance practice – and, accordingly, include disclosures in the governance section – the highlights of the outreach and a summary of the compensation discussions and related responses are often included in CD&A and may be critical CD&A summary material in some years. When there are multi-year pay concerns, the CD&A summary may be the primary location for the engagement disclosures.

- **Program Changes and Other Notable Committee Decisions:** Significant changes to the executive compensation program are important to note at the outset of the CD&A section, as are leadership transition pay arrangements, special awards or other decisions that are not part of the established program. While detail may be provided later in CD&A, these topics almost always will be of interest to readers, and transparent companies will be straightforward in the CD&A summary, explaining how the compensation committee's decisions impact both program design and actual pay and performance alignment.
- **Pay for Performance:** CD&A tends to use a one-year microscope to focus on pay decisions and related compensation. To truly answer the question of whether the compensation program works, and to explain how the compensation committee evaluates the program's effectiveness, some companies present multi-year data. Long-term alignment presentations can be an effective and transparent way to answer the question of whether the program functions as intended. This disclosure also may differentiate the compensation committee's assessment of alignment from the information required by the pay versus performance rules.

Benchmark Findings

35.2%

The CD&A executive summary included performance against compensation program targets

51.2%

The CD&A executive summary included pay-for-performance alignment discussion

38.8%

The CD&A executive summary included shareholder feedback to the program and changes, if any

52.3%

The CD&A executive summary discussed the compensation program changes from previous year or states there are no changes

Examples

Royal Gold 2023 Proxy Statement

Royal Gold links performance metrics to strategy.

Performance Measures Tied to Strategy

Our executives are responsible for driving corporate performance. Because of this, we design our executive compensation program so that it strongly correlates to our corporate performance. We use many of the same performance measures for our compensation programs as we use to chart corporate strategy and evaluate our success in achieving that strategy.

<table>
<tr><th>Key Performance Measure</th><th>Description</th><th>Strategic Link</th><th>Element of Compensation</th></tr>
<tr><td>Net GEO Production (1)</td><td>Net GEO Production (holding metal price constant) vs. budget</td><td>Gold-focused portfolio; capital deployment; growth</td><td rowspan="6">Short-term incentive</td></tr>
<tr><td>Expense Control – Adjusted Cash G&A Expense (2)</td><td>Measures management's ability to manage our business in a cost-efficient manner</td><td>Financial flexibility and discipline</td></tr>
<tr><td>Net GEOs in Reserves and M&I Resources (3)</td><td>GEOs calculated using budgeted metal prices. Reserves and resources measured at the end of 2022</td><td>Gold-focused portfolio; capital deployment; growth</td></tr>
<tr><td>ESG Achievements</td><td>Measures management's ability to implement and maintain sound ESG practices that support the long-term sustainability of our business</td><td>Sustainability</td></tr>
<tr><td>Business Integrity</td><td>Measures sufficiency of liquidity; effectiveness of internal financial controls; effectiveness of cyber risk prevention; and portfolio health and asset valuation</td><td>Financial flexibility and discipline; portfolio management</td></tr>
<tr><td>Individual Performance</td><td>Measures progress on management development, ESG initiatives, succession planning, and other established performance metrics.</td><td></td></tr>
<tr><td>TSR Relative to a subset of VanEck Vectors Gold Miners Exchange Traded Fund (GDX) Constituents</td><td>Measures the value created for our stockholders as compared to others in our industry</td><td>Stockholder returns</td><td>Performance shares</td></tr>
</table>

1. Net GEO Production equals (a) our revenue less cost of sales, adjusted to keep metal prices constant at budgeted metal prices, divided by (b) the budgeted gold price.
2. Adjusted Cash G&A Expense equals our G&A expense less (a) non-cash employee stock compensation expense, (b) litigation expenses, and (c) other extraordinary items, if any.
3. Net GEO Reserves and M&I Resources equals the sum of our estimated mineral reserves and mineral resources (for producing and development properties only), net of our cost of sales, divided by the budgeted gold price. Our mineral reserves and mineral resources and our cost of sales are adjusted to keep metal prices constant at budgeted metal prices.

Exelon 2023 Proxy Statement

Exelon shows alignment of performance metrics with strategy, together with performance highlights.

Alignment between Business Strategy & Compensation

Exelon's value proposition, as articulated below in five strategic business objectives, reflects our continued focus on key strategic initiatives expected to drive strong operational and financial performance. The table below demonstrates the linkage between Exelon's value proposition and the compensation components or metrics used in our executive compensation program.

2022 Strategic Business Objectives	Compensation Component or Metric		2022 Performance Highlights
	AIP	LTIP	
1 OPERATIONAL EXCELLENCE TO SUPPORT ACHIEVEMENT OF FINANCIAL OBJECTIVES	OUTAGE DURATION, OUTAGE FREQUENCY, & CUSTOMER SATISFACTION		All utilities achieved top-quartile CAIDI; BGE, ComEd, and PECO achieved best-on-record SAIFI performance; gas utilities achieved top decile odor response; and 3 of our 4 utilities achieved top quartile customer satisfaction.
2 EPS GROWTH OF 6-8% AND RATE BASE GROWTH OF 8.1% FROM 2021 - 2025	ADJUSTED (NON-GAAP) OPERATING EPS*	EXELON NET INCOME*	Adjusted (non-GAAP) operating EPS* of $2.27, exceeding the midpoint of guidance of $2.25 and rate base growth representing 8.1% growth over guidance for 2021 provided during 2022 Analyst Day.
3 SUPPORT UTILITY GROWTH, DEBT REDUCTION AND THE DIVIDEND		EXELON CFO/DEBT*	Issued $575M of equity to support a balanced funding strategy in support of a strong balance sheet and paid out $1.35 per share of dividends in alignment with our total shareholder return proposition.
4 INVEST IN UTILITIES WHERE WE CAN EARN AN APPROPRIATE RETURN		UTILITY EARNED ROE*	Invested approximately $7.2 billion at our electric and gas companies to replace aging infrastructure and enhance reliability and resiliency for the benefit of customers.
5 CREATE SUSTAINABLE VALUE FOR SHAREHOLDERS BY EXECUTING BUSINESS STRATEGY		RELATIVE TSR (Modifier)	Outperformed the UTY by 7.68% for 2022 with Exelon's TSR at 8.33%.

ConocoPhillips 2023 Proxy Statement

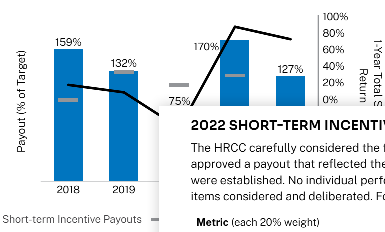
ConocoPhillips presents performance highlights in context of compensation metrics and payouts.

Executive Overview

2022 Compensation Metrics and Payouts Summary

Executive compensation in 2022 reflects performance during both our annual variable cash incentive program and three-year long-term incentive program periods. For more information about how we set our 2022 targets see "*Setting Targets for 2022*" beginning on page 84 and "*HRCC Annual Compensation Cycle*" on page 76. For a description of how our executive compensation metrics are designed to align compensation with ConocoPhillips' disciplined, returns-focused strategy, see "*Process for Determining Executive Compensation*" beginning on page 75. Also see "*2022 Executive Compensation Analysis and Results*" beginning on page 82 for a more detailed discussion and analysis of payout decisions.

- Short-term incentives are aligned with company performance and stockholder interests
- ConocoPhillips has outperformed the S&P 500 in 3 of the last 5 years



* TSR in this chart is calculated using the closing price on the last t... dividends paid during the stated period are reinvested.

2022 SHORT-TERM INCENTIVE (VCIP) PAYOUT: 127% OF TARGET FOR NEOS

The HRCC carefully considered the final results of the metrics and, based on multiple reviews throughout the year, approved a payout that reflected the degree of difficulty in achieving the results against the aggressive targets that were established. No individual performance adjustments were made for the NEOs. Following is a summary of the key items considered and deliberated. For additional details, refer to pages 83-89.

Metric (each 20% weight)

HSE – 160%

- Remained an industry leader among our peers
- Zero fatalities
- Improved Total Recordable Rate ("TRR") and benchmark best in class on TRR
- Improved Tier 1 and Tier 2 process safety event rate by 14%
- 2022 was our second-best year for safety performance in the last decade, but we aim to raise the bar every year and still have room for improvement

Operational – 100%

- Met key operational targets, including delivering additional scope in the Lower 48, while managing inflationary pressures to achieve disciplined capital expenditures
- Successfully achieved our ambitious operational milestones
- Considering the degree of difficulty of the milestones and operational targets and results as a whole, the HRCC determined a target payout was appropriate

Financial (Adjusted ROCE) – 120%

- Absolute metric assessed at target (100%), achieving absolute Adjusted ROCE only ~1% below target of 31.8%
- Finished in the 64th percentile relative to performance peers (139% per matrix; page 82)
- Absolute and relative results average to 120%

Strategic and ESG Milestones – 175%

- Successful integration of Permian assets acquired in 2021
- Closed $2.2B in dispositions and executed debt refinancing objective
- Demonstrated meaningful progress toward our Paris-aligned climate risk framework
- Progressed our long-term strategy by establishing new methane and flaring targets, executing emission reduction projects, and progressing CCS business development opportunities; expanded our global LNG business through acquiring an additional 10% interest in APLNG, selection to participate in Qatar's NFE and NFS projects, and entering into agreements with Sempra to participate in Port Arthur LNG
- Establishment of a dedicated DEI organization led by our new Chief Diversity Officer

TSR (relative)* – 82%

- Finished in the 43rd percentile relative to performance peers with one-year TSR of approximately 67%; outperformed peer average
- Payout formulaic following matrix (see page 82)

* See methodology for calculating TSR on pages 80-81.

PSP 20 LONG-TERM INCENTIVE PAYOUT: 138% OF TARGET FOR NEOS

Metric (TSR 60% weight; Financial 40% weight)

TSR (relative)* – 127%

- Finished in the 60th percentile relative to performance peers with three-year TSR of approximately 27%
- Payout formulaic following matrix (see page 82)

Financial (Adjusted ROCE) – 154%

- Finished in the 69th percentile relative to performance peers
- Payout formulaic following matrix (see page 82)

* See methodology for calculating TSR on pages 80-81.

For additional details, refer to pages 90-91.

ConocoPhillips' stockholder engagement disclosure focuses on compensation-related matters.

WHAT WE HEARD	HOW WE RESPONDED
Some stockholders expressed interest in enhanced disclosures including additional explanation of how the HRCC arrived at payout decisions and utilized discretion in the short-term incentive program.	The HRCC carefully considered this feedback and took the following actions: • **eliminated individual performance adjustments in the short-term incentive program for the NEOs beginning with the 2022 program;** • enhanced disclosures to **further describe how payout decisions in the short-term incentive program are determined including disclosing the target for Adjusted ROCE and disclosed performance peers and metrics for all ongoing PSP programs;** • effective with our 2023 short-term incentive program, we are increasing the weighting of our Financial and Operational measures to **further strengthen the link between the performance of the company and payouts**. The Financial measure will be a relative measure only (eliminating the absolute measure and thereby **reducing the number of metrics**), and the payout for the **Financial measure will be determined formulaically** following the payout matrix on page 82; and • effective with our 2023 short-term incentive program, we are eliminating relative Total Shareholder Return as a measure, thereby **removing a duplicative measure between the short- and long-term incentive programs**.
We were asked to evaluate stock retention requirements for executives.	The HRCC evaluated market data across the S&P 100 as well as the compensation reference group. Following this review, the HRCC noted ConocoPhillips already had policies consistent with the majority of our peers but chose to **further enhance the CEO's stock ownership guidelines from six to eight times base salary**, which moves the CEO's ownership requirements **above the median of the S&P 100** and our peers.
Stockholders were supportive of our percentile-based relative payout matrix as currently structured.	We continue to utilize the matrix to determine formulaic payouts for our relative performance metrics (see page 82).
Some stockholders questioned the size and two-year vesting period of the time-vested off-cycle equity inducement grant provided to Tim Leach when he joined ConocoPhillips following the Concho Resources acquisition.	**This feedback will be thoughtfully considered in the design of any future packages offered to incoming senior executives. No off-cycle equity awards were granted to any NEOs in 2022.** The rationale for this award was securing Mr. Leach's expertise as ConocoPhillips sought to integrate the Concho assets and workforce and accelerate the achievement of the cost and capital efficiency targets of the combined company. ConocoPhillips was able to quickly exceed those targets in part due to Mr. Leach's leadership in combining two world-class organizations.
Stockholders remained interested in our continued focus on our climate commitments and linking progress to our executive compensation programs.	Effective with our 2023 short-term incentive program we are creating a separately weighted measure for "Energy Transition Milestones" which will serve to **further enhance the link between our climate commitments and our executive compensation programs**.

2022 Say on Pay Vote Result, S
and Board Responsiveness

ConocoPhillips regularly engages in dialogue with s
stockholder views regarding our compensation prog
of our success. The Board and the HRCC appreciate
to provide feedback about our executive compensat
the Board of Directors."

HISTORICALLY STRONG SAY ON PAY SUP

Our executive compensation programs have historic
in the three years prior to 2022). While the say on pa
was meaningfully lower than in prior years. Followin
stockholder engagement.

STOCKHOLDER ENGAGEMENT IN RESPO

In response to the 2022 say on pay vote, and in line w
requested meetings with stockholders representing
engagement meetings with stockholders representin
of our institutional investor base. From ConocoPhillip
Brian E. Pittman, General Manager, Compensation an
Counsel, Chief Compliance Officer, and Corporate Se
participated in stockholder meetings. In addition, our
approximately 35 percent of ConocoPhillips' outstan
feedback concerning our compensation practices.

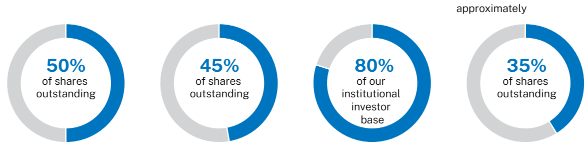
BY THE NUMBERS: STOCKHOLDER ENGAGEMENT IN SPRING AND FALL 2022

We **contacted** stockholders representing over

We **held meetings** with stockholders representing approximately

We **held meetings** with stockholders representing over

HRCC Chair attended meetings with stockholders representing approximately



Notwithstanding the lower say on pay vote in 2022, the feedback we received from our stockholders during engagement was that:

- the majority were satisfied with our executive compensation programs and viewed payouts as aligned with company performance;
- they commended our consistent commitment to open dialogue and engagement; and
- while they encouraged continuous improvement to our programs and disclosures surrounding compensation actions and payouts, they cautioned ConocoPhillips against making significant changes in response to the 2022 say on pay vote, because ConocoPhillips' strategy and execution of the strategy has been so successful.

The HRCC considered all feedback from stockholders, as well as the Company's industry-leading performance when they evaluated potential program changes for 2023 and approved changes that were consistent with their focus on **continuous improvement and that were responsive to stockholder feedback.**

Compensation Discussion and Analysis

OVEMENT RESPONSIVE TO STOCKHOLDER FEEDBACK

ips has a track record of continuously seeking to evolve our
feedback, market best practices, and performance and retention
compensation-related disclosures while providing thorough and
changes noted above, in the past three years we have also made
ns:

Ps") allow the HRCC to determine payouts on a formulaic basis
6)
randfathered tax gross-up benefits under our Change in Control
Severance Plan[1]

- Effective in 2021, the company strengthened our stock ownership guidelines by no longer counting PSP target units toward ownership guidelines while maintaining robust guidelines for NEOs; further, the company does not count unexercised stock options towards ownership guidelines
- Since 2020, and including PSP 19 which had the performance period conclude in 2021, the company added the S&P 500 Total Return Index[2] to the performance peer group broadening the performance benchmark beyond industry peers and further aligning executive pay with long-term stockholder interests
- Effective in 2020, new Executive Restricted Stock Unit grants are settled in shares instead of cash enhancing executive stock ownership through compensation programs, and better aligning with market practice

[1] Executives who became participants of the plan after the spinoff in 2012 were not eligible for any gross-up payment. The change removes eligibility for any gross-up payments for executives who were participants of the plan prior to the spinoff in 2012 that were previously grandfathered.

[2] For relative TSR metrics only.

Phillips 66 2023 Proxy Statement

Phillips 66's shareholder engagement disclosure focuses on compensation-related matters.

Taking Action in Response to Investor Feedback

In last year's proxy statement, we disclosed a series of changes to our executive compensation program to directly address feedback we heard from shareholders. The table below details the responsive actions we have taken over the last two years.

		What We Heard	Actions Taken in Response	Year of Implementation
Variable Cash Incentive Program (VCIP)	**Individual VCIP Modifier**	• Individual VCIP modifier allows for too much discretion	• Removed positive individual performance modifier from VCIP for all executive officers	2021
	Disclosure of Rigorous Performance Goals & Metric Selection	• Explain how performance goals are set each year to ensure goals remain rigorous even if targets decrease on absolute terms • Provide more explanation around the weighting and selection of VCIP metrics and rationale for payouts	• Enhanced disclosures on goal setting, particularly where targets decrease on a year-over-year basis • Enhanced disclosures of the weighting and selection of VCIP metrics and the rationale for payouts	2021 2021
Performance Share Program (PSP)	**Consider Absolute TSR**	• Relative TSR drives 50% of the PSP, but there is no cap on payouts in the event of negative absolute TSR performance	• Capped payout at 100% on the TSR portion of PSP if absolute TSR is negative	2021
	Rigor of Relative TSR Goal	• Relative TSR pays at target for median performance	• Required performance above the 50th percentile relative to peer group to achieve	**PSP 2022 - 2024**
	Adjustments to Metrics			
Peer Groups	**Selection & Rationale**			

42 **Phillips 66** 2023 P

Shareholder Engagement on 2022 Say-on-Pay Vote Outcome

"2022 was an important year for the Compensation Committee in terms of demonstrating our responsiveness to shareholder feedback regarding our recent executive compensation program changes. I greatly valued opportunities I had to hear directly from our shareholders, and shareholder insights from our engagement program are brought back to the full Board. We are proud to share that the feedback we received in recent months has been overwhelmingly positive."

– Glenn Tilton, Lead Independent Director & Member, Human Resources and Compensation Committee

2022 Say-on-Pay Outcome and Engagement Efforts

The Compensation Committee implemented a set of compensation program changes for 2022, following extensive discussions with shareholders in 2021. We were pleased to see the solid shareholder support of our 2022 say-on-pay vote, which received support from 88% of votes cast.

We continued our robust shareholder engagement program following the 2022 Annual Meeting to solicit further feedback from our shareholders on executive compensation and a variety of ESG-related topics, and are pleased to share that the feedback related to executive compensation was overwhelmingly positive in light of our recent compensation program improvements and disclosure enhancements. Shareholders were particularly supportive of our recent changes to our performance-based programs (PSP and VCIP) and disclosure enhancements, which were directly informed by prior shareholder feedback.

2022 Shareholder Engagement by the Numbers

57% of shares outstanding contacted	47% of shares outstanding engaged	26% of shares outstanding engaged with Lead Independent Director

World Fuel 2023 Proxy Statement

World Fuel presents changes to the compensation program with link to strategy.

FINANCIAL HIGHLIGHTS

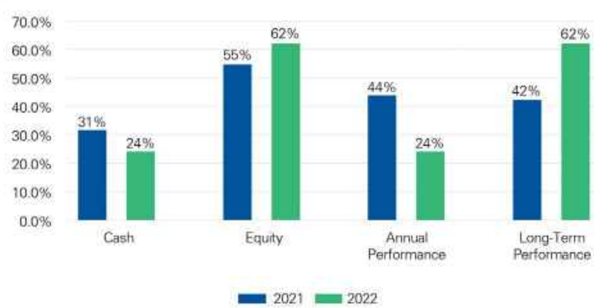
Aligning Our Executive Compensation with Our Value Creation Strategy

In 2022, our Compensation Committee, in consultation with its independent compensation consultants, approved a number of changes to our annual and long-term incentive program to better align our executive compensation program with our peers, market practices, and the interests of our shareholders. The Compensation Committee believes that these revisions were essential in light of the macro-economic factors impacting us in the near-term, as well as enhancements intended to further incentivize our NEOs to generate long-term returns, and ultimately create additional shareholder value.

In late 2021, the Compensation Committee began this process by realigning our compensation peers, primarily to include more companies from the GICS Energy sector because the operating models and performance of these companies are often influenced by similar market dynamics and these are also the companies with whom we compete for talent. While the aggregate amount of target total direct compensation ("TDC") of our NEOs was increased to be more closely aligned with the newly updated compensation peers, the components of target TDC were shifted to more closely align the interests of our NEOs with those of our long-term shareholders.

As indicated in the chart below, the Compensation Committee reduced the percentage of TDC that was payable in cash and allocated a larger portion to long-term equity incentives to foster stronger alignment with our long-term value creation, with awards earned 60% based on long-term financial performance metrics and 40% based on service. In addition, the Compensation Committee shifted a portion of TDC that could be earned based on annual performance into long-term performance.

CHANGES IN CEO COMPENSATION PROGRAM %
OF TOTAL DIRECT COMPENSATION



For 2022, the portion of the target TDC that was performance-based or equity-based ("at-risk") was 86% for our Chief Executive Officer and averaged 76% for our other NEOs. As a result, our executives only recognize value approaching their target compensation when our shareholders have benefitted from long-term value creation.

Triton International 2023 Proxy Statement

Triton's CD&A includes a summary of program changes.

Recent Compensation Program Design Changes

The Compensation and Talent Management Committee (referred to in this section as the "Compensation Committee") regularly reviews and refines our executive compensation program to ensure it remains competitive, supports strategic objectives, appropriately aligns executive and shareholder interests and rewards performance. As part of this review, the Compensation Committee made several changes to our annual incentive and equity incentive programs in 2022, as previewed in our 2022 proxy statement. These changes to our compensation programs are summarized below and described later in this Compensation Discussion and Analysis.

Annual Incentive Plan

- Increased the weighting of the financial performance portion of our CEO's and CFO's annual incentive from 50% to 75%, and from 50% to 65% for our other NEOs
- Increased the target annual incentive award opportunity for all NEOs other than the CEO from 60% to 70% of base salary and increased their maximum award opportunity from 120% to 140% of base salary

Long-Term Equity Incentive Plan

- Increased the weighting of performance-based awards for our NEOs from 50% to 60% and the maximum payout level for the performance-based awards from 150% to 200%

Walgreens Boots Alliance 2023 Proxy Statement

Walgreens discusses changes to the program, linking to company transformation and shareholder feedback.

2023 executive compensation program

In furtherance of our efforts to modernize our executive compensation program and align it with our transformation to a healthcare organization, after consulting with internal management and our independent compensation consultant and taking into account stockholder feedback received during our stockholder engagement efforts, the CLP Committee approved a number of changes to the Company's executive compensation program. The combination of the changes are intended to complement each other and support, on a holistic basis, the Company's execution against its strategic operating plan and support the Company's cultural transformation. Specifically, the CLP Committee approved the following changes to the Walgreens Boots Alliance, Inc. Management Incentive Plan (the "MIP") and our long-term incentive compensation program for fiscal 2023:

2023 Management incentive plan

In conjunction with the Company's transformation into a healthcare organization, the CLP Committee determined to reposition the DEI metrics applicable under the MIP beginning in fiscal 2023 to further align with the Company's ESG strategy, which is centered on driving health equity. This new goal will focus on three areas that have an impact on health and disproportionately impact the well-being of underserved communities:

- **Healthy & Inclusive Workplace.** As a leading healthcare company providing localized care in communities across the country, many of which are located in medically underserved areas, our goal is to increase representation of women and people of color among the leadership team in order to bring unique perspectives to bear on our hardest healthcare challenges. This performance goal is intended to increase the representation of those most impacted by health disparities in the decision-making process related to how we deliver care. In addition, a new goal related to increasing representation of people with disabilities provides sustainable work to an underrepresented community, thereby addressing several social determinants of health, including economic instability, social isolation and unemployment. This representation goal serves as a critical talent pipeline to fill jobs in a scarce talent marketplace.
- **Sustainable Marketplace.** This goal is intended to incentivize our senior executives and other employees to source goods and services from enterprises owned by women, people of color, veterans and service-disabled veterans, people with disabilities and LGBTQ+ people. It helps provide financial opportunity to businesses owned by people who are socially or economically disadvantaged, helping to address income and employment challenges that can serve as social determinants of health.
- **Healthy Planet.** We believe climate change poses an imminent threat to human health and the health of our planet. We know that climate change is a contributor to health inequities as extreme weather events and drought contribute to unsafe air and drinking water, and to food insecurity. Our new goals focused on carbon reduction and waste management incentivize our senior executives and other employees to contribute to the creation of a sustainable environment as a way to prevent the exacerbation of pre-existing inequalities.

Executive compensation

changes which better align our fiscal 2023
ompetitive market trends:

nger be granted as part of our long-term
ve their long-term incentive compensation
is change was made to be better reflective of
ntage of equity compensation granted in the
npensation program remains entirely at-risk as
ock price performance and with the vesting of
ctives. The elimination of stock options also
lied to these grants historically.

able to the fiscal 2023 performance share
nd revenue growth (weighted 30%), but the
fier, pursuant to which the number of shares
rmance compared to the companies in our
ce period. The CLP Committee believes that
ealthcare organization to incorporate an rTSR
segment as our growth engine for the future.
The CLP Committee believes that measuring rTSR over a three-year period will help measure and reward the extent to which we are successful in the execution of our business strategy and our transformation into a healthcare organization. In addition, beginning in fiscal 2023 and in order to align with the competitive market, the maximum payout for performance share awards was increased from 150% to 200%, with payout to be determined on a formulaic basis against pre-established performance goals. The following graphics illustrate the transition of our performance share program from fiscal 2022 to fiscal 2023:

Fiscal 2022 Performance Share Payout Calculation

Target Award (# of Performance Shares granted) × Achievement Factor: Financial Metrics = Earned Amount (# of Performance Shares)

Fiscal 2023 Performance Share Payout Calculation

Target Award (# of Performance Shares granted) × Achievement Factor: Financial Metrics = Initial Earned Amount (# of Performance Shares) × rTSR Modifier Result = Final Amount (# of Performance Shares)

2023 Proxy Statement 65

Borg Warner 2023 Proxy Statement

Borg Warner consolidates key compensation committee decisions on one page.

2022 Key Compensation Decisions

Below is a summary of the key compensation decisions that the Compensation Committee made for fiscal 2022:

- **Salary:** As part of the annual strategic review of base salaries, the Compensation Committee determined the compensation of our executive management team, the Strategy Board, including the NEOs, and increased base salaries effective April 1, 2022. For compensation decisions relating to executive officers other than our CEO, our Compensation Committee considered the recommendations from our CEO. We provide details on page 40.

- **Annual Incentives:** From a financial performance perspective, the Company delivered AOM of 10.26%, which was close to the target that we set under our MIP for 2022. This resulted in a payout of 96% for the AOM portion of the MIP award. For purposes of the MIP calculation, which excludes the impact of the Santroll and Rhombus acquisitions, the Company also generated $860 million of Free Cash Flow. As a result of this performance, there was a 200% payout for the FCF portion of the award. With a 50% weighting for each of the designated metrics, the combined payout was 148% under the 2022 MIP. We provide details on pages 40 and 41.

  After careful review of the actions taken by management and the commitment demonstrated to the Company-wide strategic goals detailed on page 42, the Compensation Committee utilized the performance modifier that the Committee had approved to modify the MIP payout that would otherwise have resulted by adding 10% of the MIP target award for all MIP-eligible participants.

- **Long-Term Equity Incentives:** Long-term equity incentives that were granted in 2022 consisted of performance shares (two thirds of the award) and restricted stock (one third of the award). For the 2022-2024 performance cycle, the mix of performance metrics consisted of the following:

Performance Metric	Weighting
eProducts Revenue Mix	25%
eProducts Revenue	25%
Cumulative Free Cash Flow	25%
Relative Total Stockholder Return (“Relative TSR”)	25%

The Compensation Committee believes this mix: (i) places more emphasis on delivering organic and inorganic growth (ii) drives higher eProducts revenue and (iii) generates more Free Cash Flow in our core business to help fund investments in eProducts, while maintaining a balanced focus on long-term growth and stockholder value creation. We provide details about these performance metrics on page 45.

For the 2020-2022 performance cycle, participants could earn performance shares based on the achievement of three equally weighted measures: Relative TSR, Relative Revenue Growth (“RRG”), and Adjusted Earnings Per Share (“Adjusted EPS”). Results for the 2020-2022 performance cycle were as follows:

- **Relative TSR Payout for 2020-2022:** The Company’s Relative TSR was at the 50th percentile of the performance peer group, which was at the target level for a payout resulting in a 100% payout of TSR performance shares.

- **RRG Payout for 2020-2022:** The Company’s annualized revenue growth, excluding the impact of changes in currency values and merger, acquisition, and disposition activity (in the year in which the merger, acquisition, or disposition activity occurred), was 5.6%, while the weighted average vehicle production decreased by 3.4%. The resulting 9.0% outperformance relative to the market resulted in a 2020-2022 RRG performance share payout at 200% of target.

- **Adjusted EPS for 2020-2022:** The Company’s Adjusted EPS, excluding the impact of changes in currency values and merger, acquisition, and disposition activity (in the year in which the merger, acquisition, or disposition activity occurred), was $5.10 which was between the threshold level of $4.50 and the target of $5.20 and resulted in a 2020-2022 Adjusted EPS performance share payout at 93% of target.

We also entered into an employment agreement with our CEO, as described on page 49 under “Employment Agreement with CEO”.

Accenture 2022 Proxy Statement

Accenture uses a graphic to show long-term pay for performance.

Pay-for-Performance

The Compensation, Culture & People Committee believes that total compensation for the Company's named executive officers should closely align with the Company's performance and each individual's performance.

Our named executive officers are eligible to earn a cash bonus award under our Global Annual Bonus program, which is funded during the fiscal year based on Company financial performance compared to the earnings target for the year, and rewards them for Company and individual performance evaluated against performance objectives, as described below under "—Process for Determining Executive Compensation—Performance Objectives Used in Evaluations." We also use two primary equity compensation programs for our named executive officers: the Key Executive Performance Share Program, which rewards achievement over a prospective three-year performance period, and the Accenture Leadership Performance Equity Award Program, which rewards executives for performance in the preceding fiscal year.

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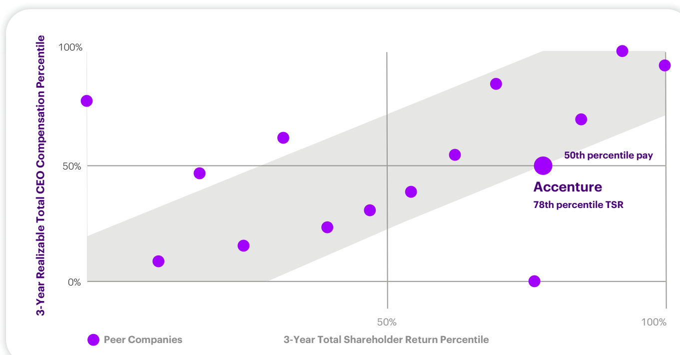
tee considers the Company's performance and
peer group. As the graph below shows, **the Company's performance** with respect to total shareholder return over a three-year period was at the **78th percentile** among the companies in our peer group as of August 31, 2022. The **realizable total direct compensation** for our chief executive officer over this same period was at the **50th percentile**, which indicates that relative Company performance ranked higher than relative realizable pay, as compared to our peer group.



We define realizable total direct compensation as the sum of the following, based on information reported in each company's most recent annual proxy statement:

(1) all cash compensation earned during the preceding three-year period;

(2) the value of all time-vested restricted shares, RSUs, and stock options granted during the preceding three-year period as of August 31, 2022; and

(3) the value of all performance-vested restricted shares and RSUs granted during the preceding three-year period, based on actual performance results or estimated performance to date (based on proxy disclosures) as of August 31, 2022.

The companies included in our peer group used for benchmarking executive compensation are identified under "—Role of Benchmarking" below.

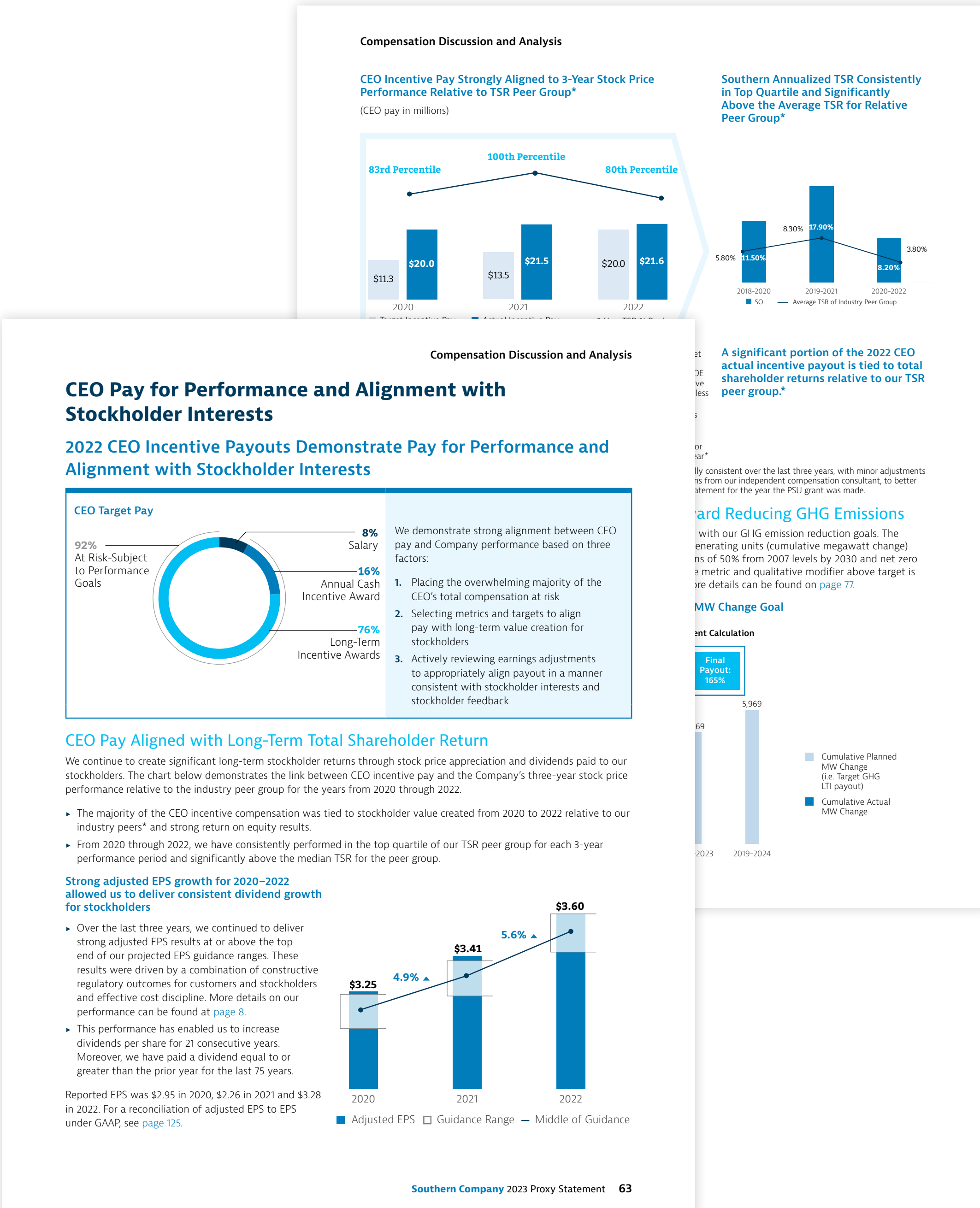
The Company's performance with respect to total shareholder return over a three-year period was at the 78th percentile among the companies in our peer group as of August 31, 2022. The average realizable total direct compensation for all of our named executive officers for the same three-year period was at the 62nd percentile, which indicates that relative Company performance ranked higher than the average relative realizable pay of all of our named executive officers, as compared to our peer group.

Say-on-Pay Vote

Shareholders continued to show strong support for our executive compensation programs, with **approximately 92% of the votes cast for the approval of our "say-on-pay"** proposal at our 2022 annual general meeting of shareholders. Given this strong support, which we believe demonstrates our shareholders' satisfaction with the alignment of our named executive officers' compensation and the Company's performance, the Compensation, Culture & People Committee determined not to implement any significant changes to our compensation programs in fiscal 2022 as a result of the shareholder advisory vote.

Southern Company 2023 Proxy Statement

Southern Company addresses pay and performance alignment through discussion of design and results.



Compensation Discussion and Analysis

CEO Incentive Pay Strongly Aligned to 3-Year Stock Price Performance Relative to TSR Peer Group*

(CEO pay in millions)

83rd Percentile | 100th Percentile | 80th Percentile

$11.3 $20.0 — 2020; $13.5 $21.5 — 2021; $20.0 $21.6 — 2022

Southern Annualized TSR Consistently in Top Quartile and Significantly Above the Average TSR for Relative Peer Group*

5.80% 11.50% — 2018-2020; 8.30% 17.90% — 2019-2021; 3.80% 8.20% — 2020-2022

SO — Average TSR of Industry Peer Group

A significant portion of the 2022 CEO actual incentive payout is tied to total shareholder returns relative to our TSR peer group.*

Compensation Discussion and Analysis

CEO Pay for Performance and Alignment with Stockholder Interests

2022 CEO Incentive Payouts Demonstrate Pay for Performance and Alignment with Stockholder Interests

CEO Target Pay

92% At Risk-Subject to Performance Goals

8% Salary

16% Annual Cash Incentive Award

76% Long-Term Incentive Awards

We demonstrate strong alignment between CEO pay and Company performance based on three factors:

1. Placing the overwhelming majority of the CEO's total compensation at risk
2. Selecting metrics and targets to align pay with long-term value creation for stockholders
3. Actively reviewing earnings adjustments to appropriately align payout in a manner consistent with stockholder interests and stockholder feedback

CEO Pay Aligned with Long-Term Total Shareholder Return

We continue to create significant long-term stockholder returns through stock price appreciation and dividends paid to our stockholders. The chart below demonstrates the link between CEO incentive pay and the Company's three-year stock price performance relative to the industry peer group for the years from 2020 through 2022.

- The majority of the CEO incentive compensation was tied to stockholder value created from 2020 to 2022 relative to our industry peers* and strong return on equity results.
- From 2020 through 2022, we have consistently performed in the top quartile of our TSR peer group for each 3-year performance period and significantly above the median TSR for the peer group.

Strong adjusted EPS growth for 2020–2022 allowed us to deliver consistent dividend growth for stockholders

- Over the last three years, we continued to deliver strong adjusted EPS results at or above the top end of our projected EPS guidance ranges. These results were driven by a combination of constructive regulatory outcomes for customers and stockholders and effective cost discipline. More details on our performance can be found at page 8.
- This performance has enabled us to increase dividends per share for 21 consecutive years. Moreover, we have paid a dividend equal to or greater than the prior year for the last 75 years.

Reported EPS was $2.95 in 2020, $2.26 in 2021 and $3.28 in 2022. For a reconciliation of adjusted EPS to EPS under GAAP, see page 125.

$3.25 — 2020; 4.9% ▲; $3.41 — 2021; 5.6% ▲; $3.60 — 2022

Adjusted EPS □ Guidance Range — Middle of Guidance

Southern Company 2023 Proxy Statement 63

Laura Ann Smith

Pay Versus Performance

In August 2022, the SEC adopted the long-awaited Pay versus Performance (PvP) rules mandated by the Dodd-Frank Act, which require companies to disclose information about the relationship between executive compensation actually paid by a company and the company's financial performance. Due to the phase-in rules, many companies were required to comply in their 2023 proxy statements, while others will be including PvP disclosures for the first time in their 2024 proxy statements.

For companies required to include the new disclosures in the first year, much effort went into the calculations behind Compensation Actually Paid (CAP) and into the selection of the Company Selected Measure (CSM). Beyond that, companies generally took a "less is more" approach, waiting to see if a clear market practice develops. Overall initial disclosures typically were 3-5 pages in length and included only the required information: the table, footnotes, list of most important measures and the narrative explaining the relationship between compensation actually paid and performance. A review of year one disclosures showed:

- Most companies chose to include the new disclosures outside of CD&A (after the executive compensation tables, typically following CEO pay ratio disclosure).
- Some companies included a lead-in paragraph or two before the required PvP table to level set that the disclosure is being provided in response to the new requirements or calculated in connection with the new rules but is not consistent with how their Compensation Committee seeks to align pay and performance when making compensation decisions (then referring readers to the CD&A).
- Footnotes were used liberally to explain the information in the required table and provided the most significant narrative transparency of the data presented. Companies used differing practices in disclosing their assumptions and how those might differ from the information presented in the Summary Compensation Table.
- For the required list of most important measures, most companies included a simple list without any additional explanation of what measure(s) they used or how a measure was calculated.
- In response to the requirement to provide a "clear description" of the relationship between paid compensation and the disclosed performance measures, the significant majority presented graphics utilizing bar or line graphs for each financial measure in the table with little additional discussion.
  - While most used at least one graph, many presented three graphics: (i) CEO CAP to TSR, NEO CAP to TSR and company TSR to peer group TSR, (ii) CEO CAP and NEO CAP versus net income, and (iii) CEO CAP and NEO CAP versus the CSM.
  - Most often, detailed narratives were included only where there was a lack of pay for performance demonstrated for one or more measures, such as in the case of a CEO transition or special equity awards.
- Few companies volunteered supplemental disclosures. For companies that opt to do so in the future, it is important to comply with requirements in the rules that any such information must: (i) be clearly identified as supplemental, (ii) not be misleading, and (iii) not be presented with greater prominence than the corresponding required PvP disclosure.

This Fall, the SEC issued additional CDIs and delivered the first batch of comment letters to companies, each of which are largely focused on technical compliance aspects of the rules, including required disclosures and CAP calculation. Companies should review these closely to guide possible changes to their 2024 PvP discussion and ensure that they are meeting all required elements of the disclosure as well as the technical nuances of the required table.

With the availability of the new PvP disclosures, we anticipate investors, compensation committees and companies will benchmark against peer groups to understand what comparisons can be drawn and if there are any emerging trends among peers with respect to CSMs, tabular lists, use of supplemental information, and descriptions of the relationship between pay and performance. Importantly, both ISS and Glass Lewis, as well as other investors, indicated that they would not use the first year of PvP disclosures in their 2023 analysis. In their 2024 Benchmark Policy Guidelines, Glass Lewis noted that PvP disclosures may be used as part of its supplemental quantitative assessments supporting its primary pay-for-performance grade. ISS has not yet announced how it will incorporate the PvP disclosures into its analysis in 2024.

We continue to believe that the required PvP disclosures will not replace the complete picture presented by the compensation tables and CD&A on plan designs, goal-setting rigor, and actual incentive plan payouts to help demonstrate to stakeholders the ultimate pay-for-performance aspect of the company's compensation program. Therefore, we recommend reviewing CD&A with an eye toward augmenting existing disclosures to emphasize how the compensation committee and the company view pay for performance when making compensation decisions, which may be very different from the requirements of the PvP rules. In addition, companies should be prepared to discuss their PvP results and how they differ from the approach taken by the compensation committee during engagements with investors.

Closing thoughts for those companies that are including PvP disclosures for the first time: begin early, be prepared to invest the time and resources needed to calculate CAP, and look to those who went before for guidance. For those who are preparing year two disclosure, don't let your guard down: remember to address any year over year changes (*i.e.,* in CEO or other NEOs, choice of CSM, or selected peer group), and be sure to "add a row" with the 2023 information as the PvP table generally requires five years of data (for non-SRCs).

Benchmark Findings

90.1%
The Pay vs. Performance discussion is located directly after the executive compensation tables

88.6%
The pay vs. performance section includes graphics

Average number of pages of PVP disclosure:
3.84 pages

Note: Due to the phase-in rules, 40 companies in the S&P 250 had not yet published their first PvP disclosures at the time of benchmarking.

Examples

The following examples highlight the typical approach taken by most companies in the first year of disclosures and also include an example of a two-page disclosure and one that includes supplemental information.

Performance Food Group 2023 Proxy Statement

TABULAR EXECUTIVE COMPENSATION DISCLOSURE

PAY VERSUS PERFORMANCE

The following table provides information regarding "compensation actually paid" to the Company's CEO and other NEOs along with the cumulative TSR of the Company and the S&P 400 Food, Beverage & Tobacco Index, the Company's net income, and the Company's Adjusted EBITDA which is considered the most important financial measure used by the Company to link compensation actually paid to the Company's NEOs to Company performance. Compensation actually paid, as determined under SEC requirements, does not reflect the actual amount of compensation earned by or paid to our executive officers during a covered year. For further information concerning the Company's pay-for-performance philosophy and how the Company aligns executive compensation with the Company's performance, refer to the Compensation Discussion and Analysis.

AVERAGE SUMMARY COMPENSATION TABLE TOTAL FOR OTHER NEOs	AVERAGE COMPENSATION ACTUALLY PAID TO OTHER NEOs	VALUE OF INITIAL FIXED $100 INVESTMENT BASED ON: COMPANY TOTAL SHAREHOLDER RETURN	PEER GROUP TOTAL SHAREHOLDER RETURN	NET INCOME	ADJUSTED EBITDA
$2,676,478	$3,979,424	$216.07	$141.90	$397.2	$1,363.4
$3,245,862	$3,196,126	$169.80	$127.29	$112.5	$1,019.8
$2,564,703	$3,763,424	$172.13	$149.38	$ 40.7	$ 626.3

(iii) subtract, for awards granted in prior years that fail to meet the applicable vesting conditions during the applicable year, the amount equal to the fair value at the end of the prior fiscal year; and

(iv) add the dollar value of any dividends or other earnings paid on equity awards in the applicable year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the applicable year. This adjustment is not applicable to PFG as no dividends are paid on equity.

The following table details these adjustments.

YEAR	EXECUTIVES	UNVESTED AWARDS: YEAR END FAIR VALUE OF EQUITY AWARDS GRANTED DURING YEAR AND OUTSTANDING AND UNVESTED AT YEAR END ($)	YEAR OVER YEAR CHANGE IN FAIR VALUE OF OUTSTANDING AND UNVESTED EQUITY AWARDS AT YEAR END ($)	VESTED AWARDS: FAIR VALUE AS OF VESTING DATE OF EQUITY AWARDS GRANTED AND VESTED DURING YEAR ($)	CHANGE AS OF VESTING DATE FROM PRIOR YEAR END OF PRIOR AWARDS THAT VESTED DURING YEAR ($)	DEDUCT FORFEITED AWARDS (FAIR VALUE AT END OF PRIOR YEAR) ($)	EQUITY AWARD ADJUSTMENT ($)
Fiscal 2023	CEO	7,211,752	4,890,740	-	746,381	(306,474)	12,542,399
	Other NEOs	1,682,870	920,813	-	177,154	(87,833)	2,693,004
Fiscal 2022	CEO	5,225,446	(258,337)	-	(177,714)	(221,502)	4,567,893
	Other NEOs	1,881,048	(53,935)	-	(39,573)	(37,186)	1,750,352
Fiscal 2021	CEO	7,720,265	2,682,515	-	1,102,638	(76,631)	11,428,687
	Other NEOs	1,788,194	477,960	-	184,548	(12,368)	2,436,334

RELATIONSHIP BETWEEN PAY AND FINANCIAL PERFORMANCE

The following charts provide a graphic representation of the relationship between compensation actually paid to the company's CEO and other NEOs (as calculated above) and the performance measures included in the Pay versus Performance Table (Total Shareholder Return, Peer Group Total Shareholder Return, Net Income, and Adjusted EBITDA).

FINANCIAL PERFORMANCE MEASURES

The three items listed below represented the most important financial performance measures used by the Compensation Committee to link the "compensation actually paid" to our CEO and other NEOs in fiscal 2023 to Company performance, as further described in the "Cash Bonus Opportunities" and "Long-Term Equity Incentive Awards" sections of our Compensation Discussion and Analysis.

Adjusted EBITDA

Net Sales

Relative TSR

Humana 2023 Proxy Statement

Leidos 2023 Proxy Statement

Allstate 2023 Proxy Statement

Allstate's pay versus performance disclosure is an example of a shorter, 2-page disclosure.

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Executive Compensation

Pay Versus Performance Table

As required by the SEC rules and aligned with Item 402(v) of Regulation S-K, detail is provided in the pay versus performance table. The table represents the relationship between our Principal Executive Officer ("PEO") and Non-PEO NEOs compensation actually paid ("CAP") with respect to key financial performance measures of the company. For additional information regarding Allstate's pay for performance philosophy and how the company aligns NEO compensation, refer to the CD&A beginning on **page 62**.

Year	Summary Compensation Table Total for PEO ($)	Compensation Actually Paid to PEO ($)	Average Summary Compensation Table Total for Non-PEO NEOs ($)	Average Compensation Actually Paid to Non-PEO NEOs ($)	Value of Initial Fixed $100 Investment Based On: Total Shareholder Return ($)	Peer Group Total Shareholder Return ($)	Net Income ($ in millions)	Performance Net Income ($ in millions)
2022	15,005,001	30,035,131	3,498,306	4,852,665	130	149	(1,416)	(426)
2021	19,066,920	27,585,626	5,548,209	7,666,840	110	131	1,485	3,689
2020	21,126,386	26,023,346	5,228,904	6,270,236	100	101	5,461	4,967

2022	2021	2020
Mario Rizzo	Mario Rizzo	Mario Rizzo
Glenn Shapiro	Glenn Shapiro	Glenn Shapiro
Don Civgin	Don Civgin	
John Dugenske	John Dugenske	
Jesse Merten		
Suren Gupta		
Robert Toohey		

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Executive Compensation

Financial Measures: The Allstate executive compensation programs reflect the pay-for-performance culture and supports shareholder alignment while also incentivizing our executives as noted throughout the CD&A beginning on page 62. For the annual and long-term incentive programs, the committee uses performance measures that (1) align with the company's strategy, operating principles and priorities, and shareholder interest, (2) support the achievement of corporate goals, and (3) reflect the company's overall performance. The most important performance measures used to understand CAP with respect to company's performance for Allstate NEOs for this most recently completed fiscal year are as follows:

Performance Net Income (PNI)
Performance Net Income Return on Equity (PNI ROE)
Total Premiums
Relative Total Shareholder Return (TSR)

Relationship between CAP and Performance Measures in the Table: The following graphs provide a visual representation of the relationship between the CAP of our PEO and the average CAP of our Non-PEO NEOs as it relates to each financial measure noted in the pay versus performance table. The relationship between Allstate's TSR and our peer group TSR is reflected in the first graph – CAP vs Total Shareholder Return. Performance measure mix, timing of grants and outstanding vesting, share price volatility, and other factors impact CAP.

The majority of CAP to our NEOs is closely connected to long-term awards under the long-term incentive plan primarily driven by Performance Net Income and relative TSR. Over the last three years, external factors, including rising inflation, have impacted Performance Net Income while Allstate's relative TSR has remained strong. The graphs below demonstrate:

- From 2020 to 2021 CAP to our PEO increased 6% and average CAP to our non-PEO NEOs experienced a greater increase of 22%. In the same period our TSR increased from $100 to $110 (10%), while the net income measures fell. The continued increase in CAP as net income declined is a result of the fair value NEO long-term incentive awards which closely aligns to the TSR which increased over the same period. The decline in Performance Net Income is a result of higher insurance losses and unfavorable reserve re-estimates.
- From 2021 to 2022 CAP to our PEO increased by just below 9% and average CAP to our non-PEO NEOs decreased by roughly 37%. In the same period TSR continued to increase from 110 to 131 (18%). Net income continued to decline. Allstate aggressively took actions to address the decreasing net income during this inflationary period, causing higher insurance losses and unfavorable reserve re-estimates, resulting in continued TSR increases.
- Allstate has seen continued growth in TSR from 2020 through 2022 with an aggregate growth rate of 30% while our peer group has slightly outpaced us at 48%. Despite this, Allstate's relative TSR to the peer group improved.

For additional detail regarding Allstate's executive pay practices including incentive design and goal setting, compensation elements, compensation decisions, and governance practices see the CD&A beginning on page 62.

Pfizer 2023 Proxy Statement

Pfizer's pay versus performance disclosure includes supplemental information.

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