



# GLOBAL EQUITY INSIGHTS

SURVEY 2023

## Insights into equity-based compensation in times of increasing market volatility

As an essential component of compensation packages for both employees and managers around the globe, the importance of equity-based compensation continues to grow. With ever increasing volatility in capital markets, combined with inflation and other geopolitical developments, new landscapes for the world of work are being carved. For these ongoing trends, the findings of the Global Equity Insights Survey remain as timely as ever.

Yet despite these extraordinary social transformations, one driving trend has remained consistent over the past ten years: successful companies tend to apply more equity-based compensation and to a wider extent. As an effective instrument for attracting, motivating and retaining the right talent during times of uncertainty, it also fosters the alignment of stakeholder interests by enabling both executives and employees to act like owners to skillfully and intelligently react to new situations.





This unique survey has presented market practice in terms of long term incentives (LTI) and share purchase plans (SPP). For the eleventh consecutive year, the core topics are still investigated.

This year, new developments have been captured as well: It furthermore focuses on new topics for equity such as the handling of talent and market volatility including inflation. With a section dedicated to Environmental Social and Governance (ESG) targets, the investor perspective also comes into focus. Finally, an entire section is dedicated to the topic of global mobility. The study provides insights for companies seeking to capture the full potential of their global equity programs as well as for companies considering the introduction of new programs.





## Key highlights

Sample & company information  184 companies  22 country headquarters  11 industries

### Long term incentives (LTI)

-  Eligibility and participation still on the rise
-  If LTIs are to be adjusted, mostly to KPIs
-  Broadest LTI coverage in North America
-  Larger LTI budgets correlate with performance




### Share purchase plans (SPP)

-  SPP well represented amongst participants
-  Share capital calculations remain difficult
-  Actual participation mostly behind targets
-  Country implementation depends on region




### Equity and Investor Relations

-  High influence of investors on equity programs
-  Focus on special topics within reporting
-  LTI adjustments result of investor influence
-  Proactive communications quite common

### ESG





-  Impact of ESG still increasing for LTI
-  Additive targets dominate calculation method
-  ESG reporting increasing momentum

#### Top 3 ESG targets





-  **E**  
CO<sub>2</sub> reduction
-  **S**  
Diversity
-  **G**  
Corporate Governance

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## Talent

-  Specific retention instruments vary
-  LTI adjustments for top talent not common
-  Industry benchmarks uncommon for IT talent
-  Sign-on bonuses most often based on equity





## Global Mobility

-  Equity within scope for tax reimbursement
-  Tax consulting provided for assignments
-  Tax equalization applied consistently
-  Third party consultants commonly applied

## Markets

-  Little impact of inflation on equity budgets
-  Energy costs do not impact equity budgets
-  Capital market volatility not impacting equity
-  Capital market disconnect

## Private companies

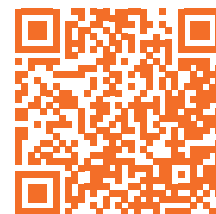
-  Valuation commonly by market approach
-  IPO or other exit scenarios not in focus
-  Ownership of the company well distributed
-  LTI instruments not always based on equity

## Why participate?

GEO and the survey sponsors have been trusted by private sector companies and public organizations for their research efforts to understand compensation practice and trends as well as to get industry and country specific insights in equity-based compensation.

Responses are confidential and will be combined with other responses to be reported as an aggregate group. Privacy and data security are treated in accordance with with the highest standards reflecting GDPR (General Data Protection Regulation).

- ✓ Free survey
- ✓ Invitation to global webinars
- ✓ Complete access to detailed report



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*GEO's Global Equity Insights Study, now in its eleventh year, delivers a one-of-a-kind look at global share plan trends, including important results on how the use of equity differs between high performing and low performing companies. For organizations offering equity as a long-term incentive to employees around the world, these insights have proven to be invaluable year after year.*

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