

When will you move long-term value from ambition to action?

EY Long-Term Value and Corporate Governance Survey, third edition, for launch in March 2023

The better the question. The better the answer. The better the world works.

A leading approach to sustainability governance has a positive impact

The third edition of EY annual *Long-Term Value and Corporate Governance Survey* examines the role of corporate governance in accelerating meaningful action on the sustainability agenda and the need to turn corporate “promises” into real progress. The research will show that there is one factor that can transform a company’s chances of driving hard results against its targets: *effective sustainability governance and board oversight*. A leading approach to sustainability governance has a positive impact on areas ranging from investment commitment to regulatory preparedness.

EY analysis of the maturity of sustainability governance found that there is only a small group of high-performers that can be said to be “leaders” but a long-tail of “laggards” who are languishing behind. Crucially, we found a positive link between sustainability governance leadership and key success factors when it comes to driving sustainable, long-term value. Governance leaders are committing more investment capital to sustainability priorities, for example, and are more prepared for a changing regulatory environment for sustainability reporting.

Remuneration – a critical element of effective sustainability governance

Interestingly, we found that the governance leaders are further advanced in sustainability-related executive remuneration. A majority of leaders (61%) include sustainability metrics as a significant element when setting the compensation of senior executives. However, only a small minority of the laggards (29%) do so.

Of course, designing an effective approach to sustainability-focused compensation is complex. The report will examine some of the key challenges and the success factors for managing them. For example, survey respondents were particularly focused on the difficulty of aligning annual pay and bonus with sustainability goals that often have five- to 10-year targets.

To find out more

In March 2023, EY will launch the third edition of our annual *Long-Term Value and Corporate Governance Survey*. Drawing on the views of 200 corporate directors and senior managers – including CEOs, chairpeople and non-executive directors – the report examines the importance of effective sustainability governance in driving long-term value, including the critical role of remuneration.

You can find the earlier editions of this annual survey, from 2021 and 2022, on ey.com:

[Will there be a 'next' if corporate governance is focused on the 'now'? | EY – Global – February 2021](#)

[How can boards strengthen governance to accelerate their ESG journeys? | EY – Global – February 2022](#)



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