S&P Global
Ratings

Environmental, Social, And Governance (ESG) Evaluation

NextEra Energy, Inc.

Executive Summary

NextEra Energy, Inc. (NextEra) is a large diversified energy holding company that primarily consists of regulated transmission, distribution, and generation utilities (about 70% of EBITDA), competitive generation (about 20% of EBITDA), proprietary trading (about 5% of EBITDA), and natural gas exploration and production (about 5% of EBITDA). Through its regulated utility subsidiaries the company provides electric services throughout most of Florida.

NextEra's best-in-class preparedness assessment speaks to its ability to identify disruptive forces its industry faces, such as climate change regulation and an aging workforce, and develop and implement plans to mitigate them and create opportunities. The company also has fostered an effective culture to contend with ESG-related risks. NextEra has significant exposure to environmental issues, most notably greenhouse gas (GHG) emissions. NextEra has been more proactive than peers in decarbonizing its fleet, but continues to face long-term challenges over nuclear waste.

Maintaining effective relationships with customers and communities has generally had a positive impact on NextEra. The industry also faces other social risks, such as safety and an aging workforce, though NextEra has been more effective than sector peers in mitigating these issues.

The governance score benefits from the company's U.S. presence and stronger code and values than many American companies. We believe the combined CEO-chairman role is not in line with international best practices, but it's somewhat offset by a supportive structure and high board engagement on ESG issues.

Entity	NextEra Energy Inc.
Location (HQ)	U.S.
Primary Operation Location(s)	U.S.
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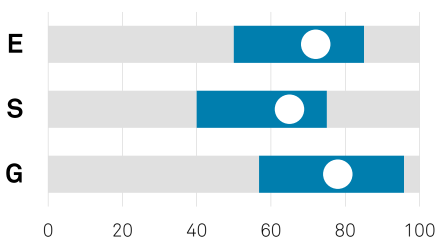
Profile Score

72/100



Company-specific attainable and actual scores

Preparedness Opinion

Best In Class

Awareness:	**Excellent**
Assessment:	**Good**
Action:	**Excellent**
Culture:	**Excellent**
Decision-making:	**Excellent**

ESG Evaluation

86/100

ESG 100 represents lower risk exposure

Component Scores

Environmental Performance

Sector/Region Risk Level	**35/50**
Greenhouse Gases	**Strong**
Waste	**Good**
Water	**Strong**
Land Use	**Strong**
General Factors (optional)	**0**
E Profile (30%)	**72**

Social Performance

Sector/Region Risk Level	**25/50**
Workforce and Diversity	**Good**
Safety Management	**Strong**
Customer Engagement	**Leading**
Communities	**Strong**
General Factors (optional)	**None**
S Profile (30%)	**65**

Governance Standards

Sector/Region Risk Level	**31/35**
Structure and Oversight	**Good**
Code and Values	**Strong**
Transparency and Reporting	**Strong**
Cyberrisks and Systems	**Strong**
General Factors (optional)	**None**
G Profile (40%)	**78**

Note: Numbers may not add up due to rounding

ESG Profile (incl. any adjustments) **72/100**

Preparedness Summary

We view NextEra's preparedness as best in class, reflecting its ability to identify and assess long-term risks and take concrete actions to actively reduce them and develop new opportunities. Furthermore, the company's culture incentivizes high performance and innovation. The utility industry will continue to experience disruption as the result of climate change, energy transition, cyberrisks, and changing demographics and customer demands. We expect NextEra to continue effective strategic decision-making, which we believe will positively distinguish the company from peers amid industry disruption, and to continue aligning its strategy with ESG-related goals.

Preparedness Opinion **Best in Class**

ESG Evaluation

ESG Profile	**72/100**
Preparedness Opinion	**Best in Class (+14)**
Further Adjustment (if any)	**None (0)**

86/100

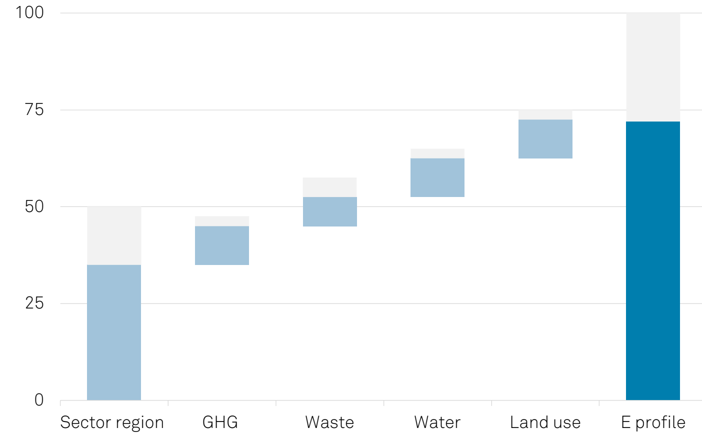
ESG Profile

72/100

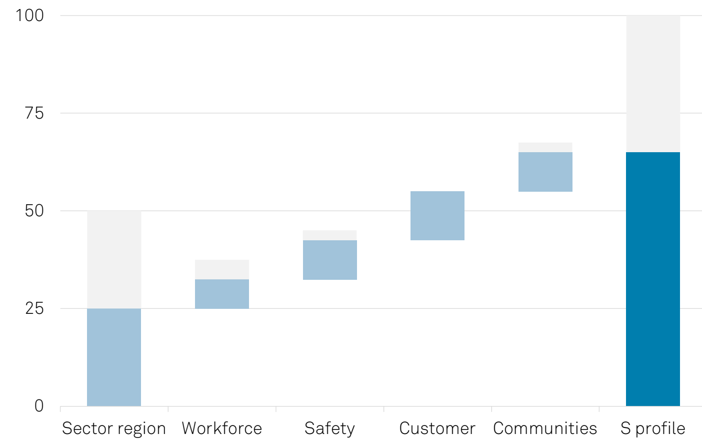
Overview

Component score (incl. weighted adjustments) | Potential score | Profile score

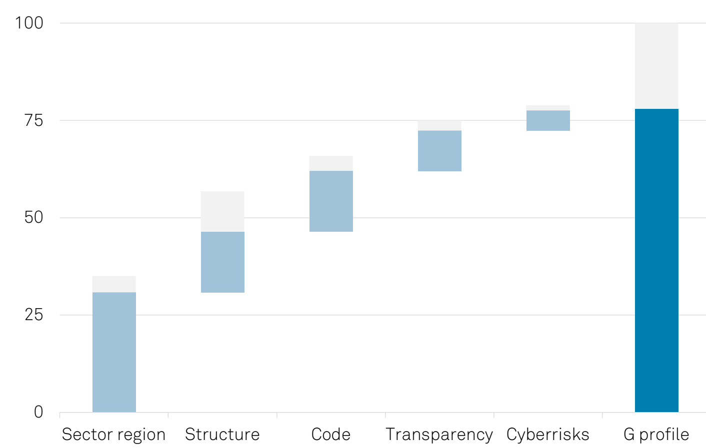
Environmental Profile (30%)



Social Profile (30%)



Governance Profile (40%)



NextEra's environmental profile score of 72 reflects the sector's high exposure to environmental risks, but the company's generation fleet, about a quarter renewables and below 2% coal, compares positively to many peers with more fossil-based generation in terms of GHG and other airborne emissions. Water use practices also rank higher than the utility sector average because NextEra recycles about 99% of water used and sources about 80% of its water use from non-potable sources. Biodiversity risk associated with the company's wind assets is offset by preventative measures that minimize the negative impact on bats and birds. The company's exposure to nuclear operations is the key source of long-lasting waste, while rising sea levels expose the nuclear fleet to longer-term risks given their locations. Permanent disposal options are still being explored nationally. In the interim, nuclear waste is handled according to nuclear standards similar to peers.

NextEra 's social profile score of 65 incorporates our view of high customer satisfaction that's consistently better than peers driven by technological innovations, a high level of reliability, and lower customer bills than global sector peers. NextEra's strong safety management plan, technology, and its transition to renewables have helped it reduce safety incidents relative to peers, but the sector as a whole is generally more prone to accidents. Similarly, the overall industry shows limited diversity, but NextEra has been more proactive than peers in addressing this risk.

NextEra's governance score of 78 reflects our assessment of the board of directors as proficient, despite the long average tenure. The board of directors remains more active and engaged than peers by consistently reviewing risk management practices and findings with senior management. The company purposefully created the dual chairman of the board and CEO role to streamline the process of defining its strategy and implementing it. Associated risks are mitigated with strong checks and balances and board committee composition, including a rotating independent director with significant decision-making abilities. The company's remuneration structure is aligned with its long-term strategies; most of senior management's compensation is aligned with the company's long-term performance. While the company has an effective cybersecurity framework to protect its power networks and customer data, like other utilities, it is not immune from cyberthreats.

Environmental Factor Analysis

Greenhouse Gas Emissions

Strong

- The company's scope 1 carbon dioxide (CO2)emissions rate is below the global sector average given about 50% of generation is sourced from renewables and nuclear. In addition, the bulk of NextEra's fossil-based generation uses natural gas, not coal.
- In 2018, NextEra set a goal to reduce carbon emissions 65% by 2021 compared to 2001 levels. As of 2018, it had reduced carbon emission rate by about 50% from 2001 levels.
- The company's growth strategy targets installing more than 30 million solar panels by 2030 in Florida alone, which will further increase the proportion of renewables generation at the company's regulated utilities.
- The company plans to transition a significant percentage of its coal-fired capacity (part of its recent Gulf Power acquisition) to less carbon-intensive sources in the near-term.

Waste

Good

- The company's waste score reflects pollution metrics that are substantially better than sector peers, but is somewhat offset by significant exposure to nuclear waste liabilities.
- From an air pollution perspective, in 2017, the company achieved its lowest-ever emissions rates of sulfur dioxide and nitrogen oxides as a result of its strategic transition away from coal to renewables and natural gas.
- We expect the company to continue to reduce its waste footprint. Measures already taken include banning the use of chlorinated solvents and hydrazine at Florida fossil facilities, minimizing the amount of oil-ash produced, and establishing a facility to recondition hardware.
- Because of its nuclear generation, the company has material exposure to unique risks associated with nuclear waste management, reflecting its long half-life and evolving long term storage options. However, this risk is somewhat mitigated because the company's waste management program is consistent with U.S. standards and there hasn't been a significant recorded nuclear waste incident.

Water

Strong

- The company's strong water score reflects a comparatively high level of water recycling and low exposure to water stress. Its increasing reliance on renewables instead of coal will continue to reduce the company's exposure to water-related risk, while its asset concentration in Florida is an advantage compared to peers in areas of higher water stress.
- About 80% of the water withdrawals are from seawater sources, which are non-potable and drought-proof, thereby limiting water stress exposure.
- In 2018, just over 99% of water withdrawn was ultimately returned to the original source, therefore limiting the company's water intensity rate, which it has been doing consistently.
- While most of NextEra's renewables portfolio is located outside Florida and in areas with generally higher water stress, these assets use negligible amounts of water compared with other forms of generation.

Land Use

Strong

- Land use is important for NextEra as it looks to expand its renewables portfolio. Typically, renewable projects can have a larger land footprint than other fuel types and often can require greenfield development, but are generally less intrusive to their surroundings.
- The company has very effective species and wildlife protection programs and partnerships that cover species like the American crocodile, whooping cranes, sea turtles, and manatees. These programs are important and effectively mitigate the company's significant exposure in Florida, a biodiversity hotspot.
- For solar development in Florida, the company first targets disturbed land near existing transmission, like citrus groves, that are no longer productive, for example due to disease.

General Factors (no numeric adjustment made)

⚠ NextEra has significant exposure to rising sea levels, particularly given the location of its nuclear reactors at Turkey Point on the Florida coast. We made no adjustment for this exposure because the sea defenses seem to mitigate the risk. We may adjust, however, if NextEra successfully extends its nuclear operating licenses beyond 2030 or if the current public controversy around Turkey Point grows to a point where it could hurt the company's brand or finances.

Social Factor Analysis

Workforce and Diversity — Good

- Though improving, NextEra's employee policies, relations, and workforce diversity are average for the sector. The company is focused on improving gender and ethnic diversity in its employment ranks, while improving the distribution of its age demographics to reduce its exposure to upcoming retirements and lost skills base. Previously the age demographics were more heavily skewed toward employees over 50; currently, about a third are in this age group. New hires are being trained to maintain the traditional skills still required.
- The utility workforce in general needs to adapt to new and emerging technologies that demand different skills. The company is actively improving the supply of candidates with all skills necessary to conduct its business (see Communities).

Safety Management — Strong

- Accident and fatality rates are better than global industry peers. The company's shift toward renewable energy reduces its exposure to safety risks in its generation operations. The company's safety policies are comprehensive and use external standards to set targets. NextEra conducts regular safety training for all staff including contractors.
- The company has a strong safety management program that has reduced its recordable Occupational Safety and Health Administration case incidence rate by over 60% over the past decade. Furthermore, the company's fatality rate is demonstrably lower than global peers. Over the past five years, the company experienced two fatalities that resulted from a single incident when a roadway collapsed.
- NextEra's growing investment in renewable energy reduces their operating safety exposure. In general, we believe that nuclear and fossil fuel-based generation have less safe working conditions compared with renewables.

Customer Engagement — Leading

- NextEra's comparatively low customer bills and high levels of reliability during normal weather conditions reduce regulatory risk, protect its customer base and supporting our view of its leading customer engagement compared to peers. The company has also improved customer engagement by operationalizing mobile phone-friendly outage reporting. Further supporting our view are the numerous industry awards NextEra has received.
- In our view, well-protected customer data (see Cyberrisk) mitigates potential future reputational risk. In addition, NextEra continues to use and develop predictive analysis algorithms to enhance its asset management systems and minimize unexpected service interruptions, further strengthening reliability metrics and customer satisfaction.
- The utility is exposed to significant hurricane risk, which can wreak havoc on customer relationships. However, over the past decade, NextEra has improved system resilience through material capital expenditures (over $3 billion since 2006) and significantly improved its post-hurricane restoration efforts as reported in North American Electric Reliability Corp.'s 2018 reliability report.

Communities — Strong

- NextEra is among the industry leaders in local community engagement and has generally positive community relations. The company has a community-centric mission of providing clean, reliable, and affordable power, as demonstrated by its low customer bills, high reliability rates, and significant capital investment in renewables.
- Similar to some of its larger utility peers, the company is very embedded in the communities it serves through investments in local education and training programs, monetary donations, donation-matching programs, and encouraging employees to dedicate work time to community service.
- NextEra has strong partnerships with universities and diversity initiatives in the communities it serves. This has allowed the company to effectively train and court recent graduates employees, more so than its industry peers.

General Factors (None)

- We have not made any adjustments to the social profile.

Governance Factor Analysis

Structure and Oversight — Good

- We view NextEra's governance structure and oversight as good compared with global best-practice standards. Some of the stronger features of NextEra's governance profile are offset by the combined role of CEO and chair and long tenure of many independent board members.
- The combined CEO and chairman role is suitably mitigated by an effective and rotating lead independent director position. While the board is nonexecutive, the long tenure of several members can make it challenging to remain independent.
- The board can exercise its oversight over management and has an open-door policy where any member of management can go directly to them without going through the CEO/chair. Additionally, all committees are led by and comprise nonexecutive directors.
- The board of directors is collectively effective in its responsibilities. This includes its diversified and relevant experiences and the requisite skillset to support the group's strategy. There has not been an unexpected board member departure in the past five years.

Code and Values — Strong

- We view NextEra's code and values as strong because environmental and social responsibility, together with integrity and diversity, are prominent values and purposes. The company has made public statements about its ethics and values and embeds environmental and social factors in its vision statement. The company demonstrates commitment to these values through established and repeatable working practices. Furthermore, the company provides training to all staff and suppliers on the code of conduct and publishes its core principles.
- NextEra demonstrates its core values by adhering to its high quality standards, driving continuous improvement, working safely, acting with integrity, leading respectfully, and developing inclusive teams. NextEra leverages its credentials in environmental and social responsibility to compete, which serves to reinforce its commitment to those values. The company's remuneration structure is aligned with its long-term strategies given most of senior management's compensation is in equity, which is tied to the company's long-term performance.
- In our view, the company's governance policies are more comprehensive and public than many peers in the industry. They cover anti-money laundering, bribery, fraud, whistleblowing, conflict of interest, political donations, cybersecurity, and audit practices.

Transparency and Reporting — Strong

- NextEra's transparency score is supported by the disclosure of a higher-than-average number of metrics among power companies, and voluntarily participates in Edison Electric Institute sustainability efforts. It still does not disclose scope 2 emissions, however, and withholds certain information on its generation business for competitive reasons.
- NextEra has a variety of interactive and detailed investor resources on its website, which supplement its mandatory SEC disclosures and filings, quarterly investor webcasts, and periodic shareholder presentations.
- NextEra tracks a variety of granular proprietary metrics internally for target-setting purposes and is conscientious about what it reports publicly, especially on its competitive businesses.

Cyberrisks and Systems — Strong

- In line with similar companies, NextEra has significant exposure to cyberattacks because of its high-profile name, possession of customer data, and its management of much of Florida's power grid. Based on its strong team and procedures, the exposure appears to be well mitigated, making net exposure to liabilities lower than average for power generators and network operators.
- The company has a cybersecurity framework and experts that protect its power networks and customer data from disruptions and attacks.
- The company works with world-class agencies within the U.S. to prevent cyber breaches.

General Factors (None)

- We have not made any adjustments to the governance profile.

Preparedness Opinion

Preparedness	Low	Emerging	Adequate	Strong	**Best in class**

Awareness	Developing	Good	**Excellent**
Assessment	Developing	**Good**	Excellent
Action	Developing	Good	**Excellent**
Culture	Developing	Good	**Excellent**
Decision-Making	Developing	Good	**Excellent**

Summary Opinion

We view NextEra's preparedness as best in class, reflecting its excellent awareness of long-term risks and opportunities, good assessment of the potential impact of its business, and excellent action planning to translate potential risks into opportunities. Furthermore, the high performance and innovative culture demonstrates excellent commitment to long-term sustainability. Finally, we assess the company's decision-making as excellent, reflecting its track record of decisions that have successfully reinforced strategic objectives.

Through companywide initiatives, NextEra has identified and implemented projects that are reducing its exposure to most of the key long-term risks it will face. The utility industry will continue to experience disruption as a result of climate change, energy transition, cyberrisks, and changing demographics and customer demands. We expect NextEra's effective and strategic decision-making to positively distinguish the company from peers in the face of these disruptive factors.

The board and senior management typically explore new technologies and strategies by making relatively small investments and learning from the outcomes--a technique it has employed for many years. For some of its strategic initiatives, the company may make incremental investments to ensure it retains strategic flexibility.

Preparedness Indicators

Awareness	Developing	Good	**Excellent**

We believe NextEra has excellent awareness because the board has shown it can identify long-term material disruptions and opportunities in developing its strategy. Independently, the board requires that management interact with risk and audit committees multiple times per year, and business unit heads are responsible for identifying exposure in their respective businesses, creating accountability. Risks are identified both from a bottom-up and top-down approach to ensure appropriate expertise on the topic, as well as alignment with the broader long-term strategy. For example, the company recognizes the potential risks and cost escalations associated with a carbon-intensive fleet and is mitigating these risks pre-emptively without any external pressure or incentives set by regulators in Florida. The company has systems to continuously monitor the internal and external environment to detect signals that could translate into emerging and strategic risks or opportunities.

Assessment	Developing	**Good**	Excellent

The company is good at self-assessing the potential impact of risks and opportunities on its operations and strategy because both management and the board separately and systematically assess them. Both are supported with assumptions and scenarios guided by internal and external expertise.

Management continuously quantifies the company's risks and opportunities. Though we have not seen details and assumptions, we understand that the company evaluates and reassesses risks through impact/probability matrices and results are discussed monthly. The board also conducts similar activities, using external consultants such as meteorologists, climate experts, and nuclear power experts to opine on a range of possible outcomes for each disruptor. For example, the company is constantly reassessing the impacts of rising sea levels given its coastal exposures by using data from third parties that are regularly updated.

Action

Developing	Good	**Excellent**

NextEra demonstrates excellent action planning and tries to align action plans with employees' day-to-day activities. NextEra management has emphasized that each of these action plans must be dynamic, practiced, and executable. To that end, there are drills and practices for risk scenarios such as disaster responses to cyberattacks and extreme weather, and resources dedicated to opportunity scenarios, like predictive algorithms. We believe that success in developing these scenarios and resulting action plans has tangibly facilitated rapid change management. The results of these analyses are escalated from business unit leaders to management and the board for review as part of their ongoing risk assessments.

After identifying climate change and potential emissions regulation as a material long-term risk, the company undertook concrete actions to reduce its exposure to these possible regulations and has capitalized on the opportunities it has identified related to climate change, including using an implicit carbon price in valuing assets. In addition, the company has an established track record of managing disruptions. For instance, after devastating hurricanes in 2004 and 2005, the company used the next decade to harden the system and improve regulatory outcomes, building the foundation for a predictable and transparent procedure for utilities to follow, which contrasts with the current situation surrounding wildfires in California.

Culture

Developing	Good	**Excellent**

We perceive NextEra's culture as excellent because the commitment to long-term sustainability through high performance and innovation is evident in company communications and in employee behavior at all levels from front line to senior management. The emphasis on innovation and performance coupled with the strong risk management practices leave NextEra well prepared to find opportunity in disruption. Each business unit leader and manager is tasked with leading by example and is responsible for developing a culture of innovation. Employees are also encouraged to come forward through various structures with new ideas big and small, many of which have ultimately been successfully implemented.

Through various annual competitions, employees present ideas to senior management and the winning ideas receive funding for their implementation. Ideas that have translated into business decisions include strategically placing sensors on the company's equipment to predict failing equipment, significantly reducing costs, and the use of 3D printing for small wind components at remote sites, reducing onsite inventory and lowering costs. The success of ideas implemented through this process demonstrates a culture of ingenuity and innovation that results in significant business improvement and cost efficiencies.

Decision-making

Developing	Good	**Excellent**

We view decision making at NextEra as excellent because the company shows a strong commitment to ESG-related goals. The company has approved significant capital expenditures toward executing its ESG strategy, with over 80% of the company's future capital spending allocated toward solar, wind, and storm hardening, which is consistent with mitigating the primary risks in this industry.

Another example is the company's decision to retire the Duane Arnold Energy Nuclear Plant in late 2020, five years sooner than the power purchase agreement (PPA) between NextEra Energy Resources and Alliant Energy. It is substituting that nuclear PPA for wind PPAs, which we believe insulates it, to a degree, from a major risk facing the industry.

At first glance, the recent acquisition of Gulf Power and its coal generation assets seems counterintuitive to our assertion that decision-making shows a commitment to sustainability; however we believe that NextEra has an ambitious strategy to decarbonize Gulf Power. The company is committed to gradually retiring coal assets at Gulf Power and specified its intention to replace some coal plants with renewables generation and less carbon-intensive sources in the early 2020's.

Climate-Related Financial Disclosure

TCFD Disclosure Alignment Assessment:	Not adopted	**Partially adopted**	Adopted

We assessed to what extent the company has adopted the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures' (TCFD's) recommendations. We do not opine on the quality of the company's disclosure or any climate change scenario assumptions, but rather comment on the number of disclosures made based on the TCFD's suggested disclosure list.

We believe that NextEra Energy has partially adopted some of TCFD's recommendations. The company does provide a high-level description of its governance framework and environmental risk management process, but in our view it is not as comprehensive as TCFD recommends in its guidance, nor is it climate-specific. NextEra's disclosure, for instance, does not address climate-related issues and opportunities or their potential financial impact within short, medium, and long-term time horizons. We also note that the company does not disclose any climate-related scenario analysis to illustrate the potential impact on its strategy. Nor does the company disclose the metrics it uses to assess climate-related risks, such as rising sea levels. The company does disclose scope 1 emissions (including historical performance against targets,) however, the linkage, if any, of those measures to remuneration is not public. NextEra does not currently disclose its own energy and water usage statistics completely in line with TCFD recommendations.

Governance	Strategy	Risk management	Metrics and targets
Description of the board's oversight of climate-related risks and opportunities.	Description of the climate-related risks and opportunities identified over the short, medium, and long term.	Description of the organization's processes for identifying and assessing climate-related risks.	Disclosure of metrics the organization uses to assess climate-related risks and opportunities in line with its strategy and risk management process.
Partially adopted	Partially adopted	Partially adopted	Not adopted
Description of management's role in assessing and managing climate-related risks and opportunities.	Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Description of the organization's processes for managing climate-related risks.	Disclosure of scope 1, 2, and if appropriate, 3 GHG emissions and the related risks.
Partially adopted	Partially adopted	Not adopted	Partially adopted
	Description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Description of targets the organization uses to manage climate-related risks and opportunities and performance against targets.
	Not adopted	Partially adopted	Partially adopted

Sector/Region Risk

Primary sector	Electric utilities (excl. coal)
Primary operating region	U.S.

Sector Risk Summary

In our view, the electricity generation sector has high environmental risk exposure, while the network operations (transmission and distribution) have a much lower or moderate exposure. NextEra Energy, Inc. is an integrated utility, involved in both generation and transmission, so we have blended the sector risk exposure score based on the asset base resulting in a medium-level exposure.

Environmental exposure

Environmental risks include pollution, land usage, waste management, and contamination of nuclear sources. The transition toward cleaner power is being enacted globally. However, because renewable energy is intermittent and continues to rely on subsidies, further significant growth of renewable energy depends on better technology that will lower the cost of renewable energy and battery storage. Nuclear generation, despite its low carbon footprint, poses several threats from an environmental perspective when it comes to the future of long-term nuclear waste storage, from severe operational issues (reactor outages create production strains and would ultimately resort to switching to polluting thermal production) up to low probability major environmental and human catastrophes (Chernobyl, Fukushima). Natural gas is less environmentally harmful than coal, emitting about half the CO_2 of coal and making it a lower carbon footprint baseload option for power generation. Natural gas also benefits from policies aimed at increasing the share of intermittent renewable generation, and the gradual phasing out other energy sources such as coal and nuclear (in Europe). However, we believe that natural gas represents a bridge fuel to a low carbon future, and the duration of natural gas as a primary source to generate electricity will depend on the development of new energy storage technologies.

Social exposure

Social risks include safety and reliability, social cohesion, and consumer behavior. Power generators play a crucial role for communities because they provide essential energy that needs to stay affordable and reliable. This means they are vulnerable to local politics and, which could lead to strong opposition and arbitrary taxation. Utilities are generally socially intertwined with the local communities because they are usually a large local employer of unionized staff. Long-term consumer behavior will likely be increasingly influential in the energy transition away from polluting energy sources. Social risk for nuclear generators also includes proper nuclear waste management, including storage.

Sector/Region Risk

Regional Risk Summary

With robust institutions and rule-of-law standards, the U.S. demonstrates many strong characteristics but lags several other countries with respect to ESG regulations and social indicators. Income inequality is higher than in other Organiszation for Economic Co-operation and Development countries, but has been so for over a century. Social services are similarly less generous than in most wealthy countries. Governance is characterized by a very stable political system, strong rule of law, a powerful judiciary, and effective checks and balances. Conditions of doing business are generally high. The U.S. follows a rules-based approach to corporate governance, focused on mandatory compliance with requirements from the major exchanges (New York Stock Exchange [NYSE] and NASDAQ), as well as legislation. Exchanges requirements mandate high standards of corporate governance. The NYSE requires companies listing on its exchange to have boards made up of a majority of independent directors and have separate remuneration and nomination committees. However, establishment of formal requirements on ESG reporting are behind those of European countries. While a growing number of companies have an independent chair, the combination of CEO and chair roles is still popular, which can create issues regarding management oversight. Remuneration continues to be a contentious point, because U.S. executive pay dwarves global pay levels. The CEO-to-worker pay ratio is ever-increasing, leading to social tensions and shareholder criticism.