

March 25, 2021 Edited by: **Martin Wennerström**



Starbucks shareholders revolt over executive pay

Starbucks faced a rare rebuke at its 2021 AGM, where its advisory say-on-pay resolution was rejected following opposition by 53% of votes cast. The executive pay proposal included two special one-time retention awards granted in December 2019 to CEO Kevin Johnson and then-COO Rosalind Brewer. Johnson stands to receive up to USD 50 million in cash, provided he continues as CEO through 2022 and boosts total shareholder return to the 80th percentile relative to the S&P 500 index. The award will be delivered in cash at the end of a three-year performance period running from 2019 to 2022. Ahead of the AGM, proxy advisers ISS and Glass Lewis had recommended shareholders to oppose the pay proposal. As a basis for its recommendation, ISS cited the frequency of the one-time awards, the lack of an adequate rationale for the size of the award, and the use of cash in lieu of equity. In response, Starbucks argued that its market value had risen by USD 39 billion under the CEO's leadership and urged shareholders to approve the resolution, as the final payout will not be known until the end of fiscal 2022.

[Starbucks \(1\)](#) | [Starbucks \(2\)](#) | [WSJ](#) | [CNBC](#)

UAE to require at least one female board member

The UAE Securities and Commodities Authority has made it compulsory for listed companies to appoint at least one female director. The decision aims “to empower Emirati women and encourage them to play a greater role” as board members. Although listed companies were already nominally required have at least 20% female board representation, this was on a comply-or-explain basis. 28 of the 110 UAE-listed companies have at least one female director, although only 3.5% of Emirati board seats are held by women. UAE's Central Bank has recently partnered with local social enterprise Aurora50 to promote female representation on both private and public sector boards.

[SCA](#) | [Reuters](#) | [Bloomberg](#) | [UAE CB](#)

Berkshire board opposes SRI-related shareholder proposals

Berkshire Hathaway's directors are “unanimously” opposing two separate shareholder proposals at the upcoming 2021 AGM. The first requests annual reporting on material climate-related risks and opportunities, while the second requests annual reporting on the firm's policies and quantifiable performance relating to diversity and inclusion. Berkshire cites the decentralized structure of its businesses across “dissimilar industries,” which makes it “unreasonable to ask for uniform, quantitative reporting.” Warren Buffet, who holds 32.1% of voting power, has previously stated that he does not consider climate change to be a major threat to Berkshire's insurance operations.

[BH](#) | [Reuters](#) | [Bloomberg Quint](#)

Pinduoduo founder steps down as Chair

E-commerce platform Pinduoduo Inc. has announced that its founder and Chairman Colin Huang has stepped down from the board, with CEO Chen Lei replacing him. Huang had turned over the CEO role to Lei as recently as July 2020, and will now give up the supervoting rights that currently give him control over the company. He will, however, maintain his 28.1% stake in the company for a three-year lock-up period, while entrusting the board with exercising his voting rights. The e-commerce giant, which is valued at USD 168 billion, has seen its share price fall over 9% since the initial announcement of Huang's departure.

[Pinduoduo \(1\)](#) | [Pinduoduo \(2\)](#) | [Reuters](#)

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