

2025 Top 250 Annual Incentive Plan Report

2025 TOP 250 ANNUAL INCENTIVE PLAN REPORT

Table of Contents

Executive Summary	1
Introduction	5
Plan Type	6
Financial Measures	7
Non-Financial Measures	9
Performance Measurement Approach	11
Weighting of Metrics	12
Annual Incentive Plan Payout Ranges	13
Evaluating Business Unit Officer Performance	14
Financial Metric Goal-Setting	15
Target Goal-Setting Relative to Prior Year Actual Performance	15
Goal-Setting: Distribution of Revenue, Profit, and Cash Flow Targets	16
Goal-Setting Rigor vs. Actual Performance Achievement	17
Threshold and Maximum Goals In Relation to Target	20
Appendix	21
Supplemental Detail by Industry Sector	21
Companies Studied	28
Company Profile & Authors	31

EXECUTIVE SUMMARY

FW Cook's 2025 Annual Incentive Plan Report provides a comprehensive review of the annual incentive plans of the top 250 largest companies in the S&P 500 by market capitalization. Annual incentive plans are critical tools used to align executive compensation with a company's short-term goals and support talent attraction, motivation and retention objectives. This report examines trends in financial and non-financial metrics, goal-setting practices, and actual payouts, comparing findings over 3-year and 6-year periods, which coincide with our 2022 and 2019 Annual Incentive Plan Reports. Environmental, Social, and Governance (ESG) trends are analyzed based on findings from the last 3 years, corresponding with FW Cook's 2025 and 2024 Annual Incentive Plan Reports and FW Cook's 2023 Use of Environmental, Social, and Governance Measures in Incentive Plans Report.

Please note that while this report references 2025 as the publication year, it primarily reflects 2024 compensation practices. Similarly, references to 2024, 2023, 2022 and 2019 publication years correspond to 2023, 2022, 2021 and 2018 compensation practices, respectively.

Plan Design

Prevalent Practice	Observations
Plan Type: Use of a Formulaic Plan 2025: 93% of companies ↑ 2019: 83%	• Non-formulaic or discretionary plans have declined in prevalence over the past 6 years • Formulaic plans are widely preferred by shareholders and proxy advisors, given the transparent link of pay outcomes to performance of predetermined objective goals
Number of Financial Measures: Use of 2 or 3 Measures 2025: 66% of companies ↔ 2019: 65%	• Use of 2 or 3 financial metrics remains most prevalent, as this practice allows participants to address key business priorities without diluting management's focus • Use of more than 3 metrics is uncommon, though use of such "scorecard" approaches may help insulate participants from over-exposure to any one measure
Types of Financial Measures: Use of Profit and Revenue 2025: 93% ↔ and 55% ↑ of companies, respectively 2019: 91% and 49%, respectively	• Profit and revenue measures continue to be most prevalent and tend to account for the greatest weighting in annual incentive plans, on average • The combination of revenue and profit measures is the most common pairing in annual incentive plans, as it emphasizes topline growth without sacrificing profitability

(continued)

EXECUTIVE SUMMARY

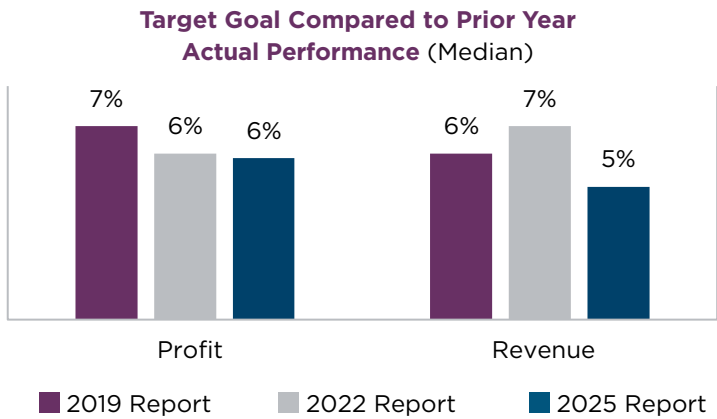
Plan Design, *continued*

Prevalent Practice	Observations
Non-Financial Measures: Use of Non-Financial Component 2025: 80% of companies ↑ 2019: 70% Use of ESG 2025: 78% of companies ↑ 2023: 73%	• Inclusion of a non-financial component has increased over the past 6 years, as a complement to core financial measures • The approach used to evaluate the non-financial component varies, with 67% of the top 250 companies measuring as a team-wide strategic objective in 2025 (up from 42% in 2019), and 34% measuring as an individual performance component (down from 48% in 2019) • Inclusion of ESG metrics has marginally increased over the past 2 years, albeit with a notable shift in the specific ESG categories measured • While most ESG performance metric categories measured remain unchanged over the past 2 years, use of diversity & inclusion measures declined precipitously in the most recent year as companies have eliminated or rebranded these types of goals
Payout Range: Max of 200% of Target 2025: 68% of companies ↔ 2019: 67% Threshold at 0% 2025: 36% of companies ↑ 2019: 31%	• A maximum payout of 200% of target is most common, remaining consistent over the past 6 years • A payout of 200% of target represents significant upside pay opportunity without the perception of incentivizing excessive risk-taking by participants • Setting threshold payouts at 0% is the most prevalent practice (36% prevalence) by a slight margin; setting a threshold payout at 50% of target is next most common at 32% prevalence • There is an observed trend of more companies setting threshold payouts at 0% and fewer companies setting at 50% of target compared to 6 years ago; this suggests companies are expanding payout opportunities below target to provide greater downside protection due to expectations for potential volatility in financial performance in the year ahead

EXECUTIVE SUMMARY

Goal-Setting

- Most companies continued to set more challenging target goals in 2025 relative to prior year’s actual results:** In 2025, at the median, profit targets were set 6% above actual profits in the prior year and revenue targets were set 5% above actual revenue in the prior year. This approach is largely consistent with goal setting practices observed in prior reports, suggesting companies continue to view mid-single digit growth to be reasonably achievable. Proxy advisors evaluate goal-setting rigor as part of their qualitative review of executive compensation plans and view the practice of setting target goals above prior year actual achievement to be a good indicator of goal rigor.



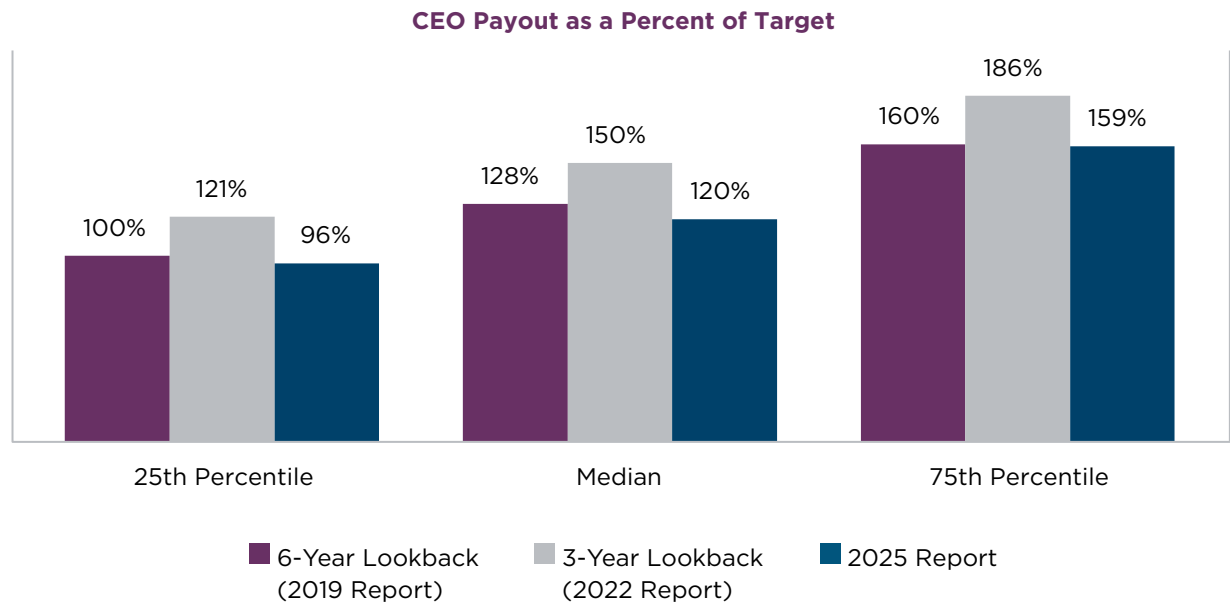
- Threshold and maximum goal-setting performance ranges remain tied to confidence in forecasting accuracy:** Performance ranges around target (threshold to maximum) remain generally consistent in 2025 compared to prior studies. The width of the performance range is directly tied to the level of confidence management has in the goals they set, with narrower ranges suggesting a higher degree of confidence. Companies will often widen ranges if they predict more potential volatility in financial performance in the year ahead. Performance ranges should be set with a realistic view of operational performance, ensuring that targets are set at challenging but achievable levels.

Median Performance Goal Range		
	Threshold	Maximum
Revenue	-6%	5%
Profit	-10%	9%
Cash Flow	-16%	15%

EXECUTIVE SUMMARY

2024 Performance Year Annual Incentive Payouts

- In 2025, most top 250 companies paid above target for their annual incentive payouts, driven by strong performance in 2024:** At the median, annual revenue and operating income growth were 6% and 8% in 2024, respectively, and one-year TSR as of December 31, 2024 was 15%. In comparison, the median CEO annual incentive payout for 2024 was 120% of target, demonstrating strong alignment in pay and performance. Notably, the median CEO payout exceeded 100% of target across nearly all industry sectors, reflecting that companies across all industry sectors generally met or exceeded their performance goals for the year. 2024 median CEO payouts were below 2022 levels and on par with 2019 payouts.



INTRODUCTION

Overview and Background

This report presents information on annual incentive plans for executives at the 250 largest U.S. companies in the S&P 500 Index. It is intended to inform boards of directors and compensation professionals responsible for designing and implementing effective annual incentive programs that motivate short-term success for their companies by supporting strategic objectives and aligning pay delivery with performance. The report covers the following topics:

- Annual incentive measures, including the number of financial measures, types and weighting of measures, performance measurement approach, use of non-financial measures and payout ranges.
- Annual incentive goal setting, including setting target goals relative to the prior year actual performance, distribution of target goals, and performance ranges (in relation to target).
- Actual CEO annual incentive payouts as a percent of target payout for the latest fiscal year.

Source of Data

All information was obtained from public documents filed with the Securities and Exchange Commission (“SEC”) and generally reflects programs in place during 2024. For companies with plans that vary by participant, the design in place for the CEO was used.

Top 250 Company Selection

The Top 250 U.S.-based companies were selected based on market capitalization as of April 30, 2025, as reported by S&P’s Capital IQ (see the Appendix for a list of the companies reviewed). The following table profiles the industry sectors represented in the Top 250 for 2025, defined by the S&P Global Industry Classification System (“GICS”).

Industry Sector (# of companies)	Percent of 2025 Top 250	Median Market Data (\$Bil)						
		4/30/2025 Market Cap.	Fiscal Year-End (FYE)		FYE Annual Growth		Annual TSR ⁽¹⁾ as of 12/31/2024	CEO Bonus Payout as a % of Target
			Total Revenue	Net Income	Total Revenue	Op. Income		
Information Technology (35)	14%	\$103.3	\$15.6	\$2.4	13%	17%	13%	107%
Health Care (33)	13%	\$95.0	\$42.9	\$3.3	7%	7%	-2%	122%
Financials (37)	15%	\$82.0	\$25.1	\$4.7	10%	15%	29%	140%
Industrials (44)	18%	\$57.5	\$18.7	\$2.6	5%	7%	15%	114%
Consumer Staples (19)	8%	\$58.6	\$36.4	\$2.9	1%	3%	7%	96%
Consumer Discretionary (21)	8%	\$65.7	\$23.7	\$3.2	5%	4%	15%	112%
Energy (14)	6%	\$44.0	\$32.1	\$3.2	1%	-13%	3%	145%
Real Estate (14)	6%	\$51.5	\$5.7	\$1.0	7%	9%	0%	120%
Utilities (15)	6%	\$46.3	\$17.2	\$2.5	0%	8%	18%	142%
Materials (8)	3%	\$55.2	\$16.3	\$2.1	-1%	6%	9%	98%
Communication Services (10)	4%	\$175.1	\$86.4	\$9.8	2%	5%	19%	105%
Total Top 250 - Median	—	\$70.7	\$21.2	\$3.0	6%	8%	15%	120%

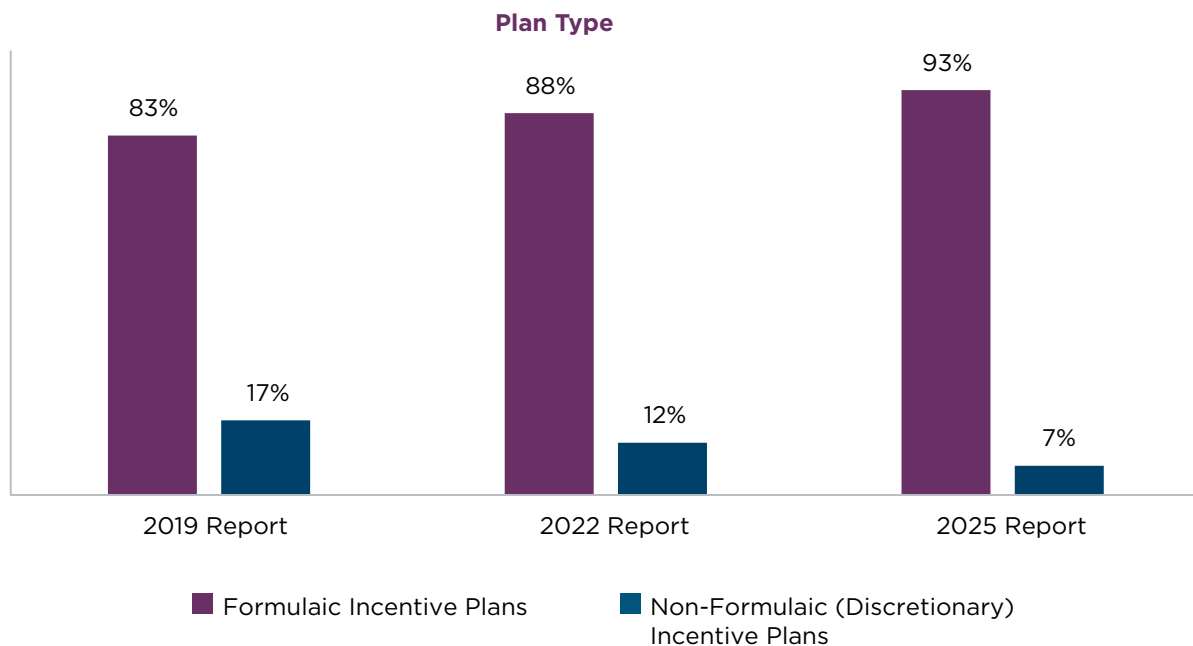
Source: S&P Capital IQ

⁽¹⁾ TSR = Total Shareholder Return, a measure of stock price and dividend performance

PLAN TYPE

Of the top 250 companies, 93% use a formulaic annual incentive plan design with predetermined metrics and weightings, an increase from 88% in 2022 and 83% in 2019. Formulaic plans demonstrate a strong link between pay and performance and are generally preferred by proxy advisory firms and institutional shareholders for the transparency around goal rigor provided by objective metrics.

The remaining 7% of companies utilize non-formulaic or discretionary plans (i.e., plans without predefined metrics and weightings) and are mostly represented by the Financials industry sector (71% prevalence among companies using a discretionary plan), where use of such plans is often influenced by regulatory and governance frameworks that emphasize the need to mitigate compensation-related risks. Examples of non-formulaic plans include completely discretionary bonus determinations, scorecards without specific weightings, or other plans with limited disclosure surrounding plan mechanics. Although payouts in these plans are determined by the Committee's subjective evaluation rather than calculated formulaically, most still consider company financial performance to ensure alignment between pay and performance and practice of good governance.



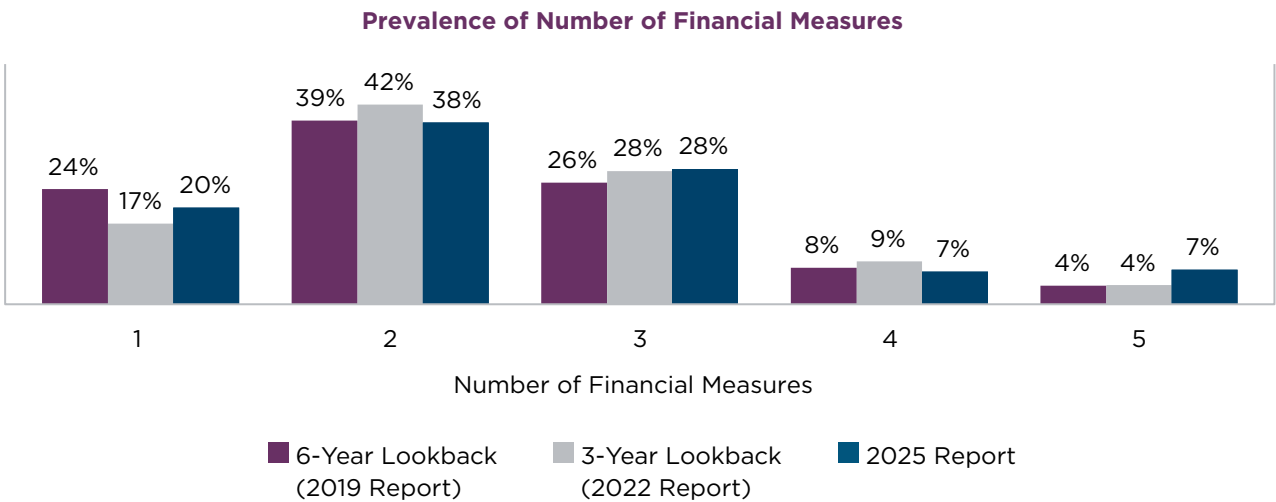
FINANCIAL MEASURES

One of the greatest challenges in incentive plan design is determining the number and types of measures to select in order to drive short-term business goals and strategy. The number and types of financial measures used communicate a company’s priorities, both internally and externally. The most effective plans are transparent and easily understood by participants. As such, companies aim to select measures that provide clear visibility for participants to effectively motivate desired behaviors and deliver value creation.

Number of Financial Measures

Most companies use multiple financial metrics, with 2 or 3 metrics being predominant practice (66% prevalence in 2025). This remains generally flat compared to 2019, though a slight decline is observed compared to 2022. Use of 2 to 3 metrics provides companies with a balanced focus on addressing key priorities.

A small minority of companies (14% prevalence in 2025) elect to use more than 3 metrics (commonly referred to as a “scorecard” approach), which can capture a more holistic view of performance and protect executives from the impact of poor performance in any single area. However, companies should be mindful of the overall complexity of using too many measures in an annual incentive plan, as this practice has the potential to dilute participant focus and inhibit greater differentiation in payouts.



FINANCIAL MEASURES

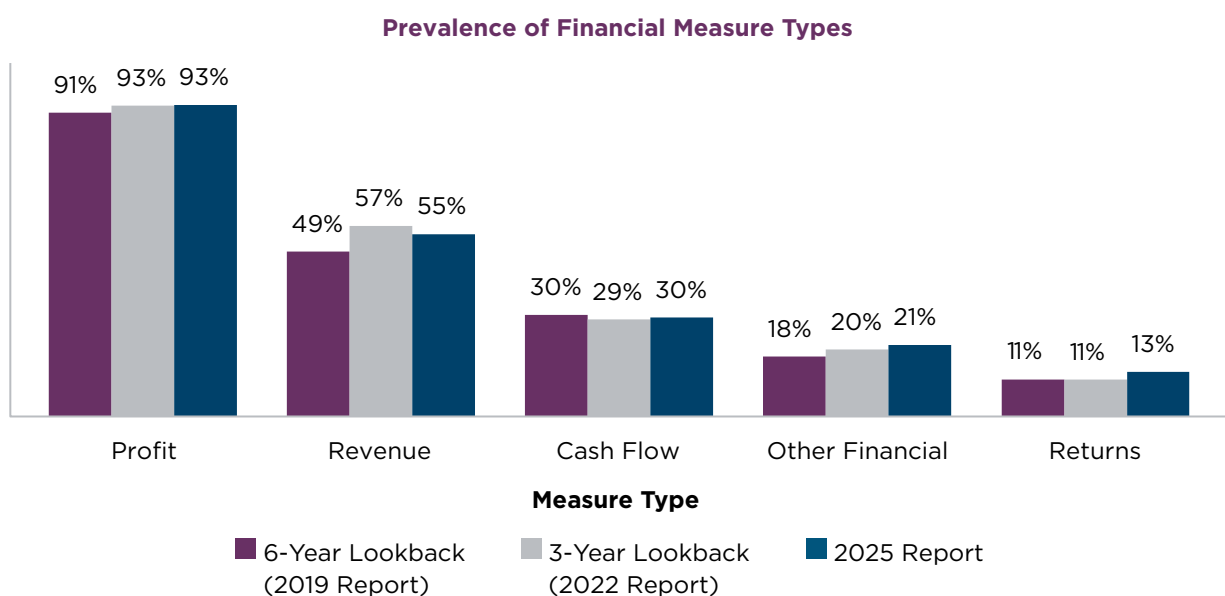
Types of Financial Measures

Profitability measures (EPS, net income, EBIT, EBITDA, operating/pretax profit, operating margin) remain the most common type of financial measure used in annual incentive plans with a prevalence of 93% in 2025, consistent with the 2022 and 2019 reports.

Revenue is the second most common financial measure (55% prevalence in 2025), with its use increasing over the 6-year period from 49% in 2019 and generally flat over the 3-year period going back to 2022. A mix of revenue and profitability metrics is the most common pairing in annual incentive plans, as it promotes profitable growth thereby driving shareholder value.

Use of cash flow metrics such as free cash flow or operating cash flow has been relatively consistent in prevalence over the past 6 years (approximately 30% prevalence). Return measures like return on equity, assets, or capital have similarly remained consistent in prevalence, ranging from 11% to 13% over the same 6-year period. Return measures are more commonly found in long-term performance plans but remain prevalent in the annual incentive plans of certain industry sectors, including Energy and Financials.

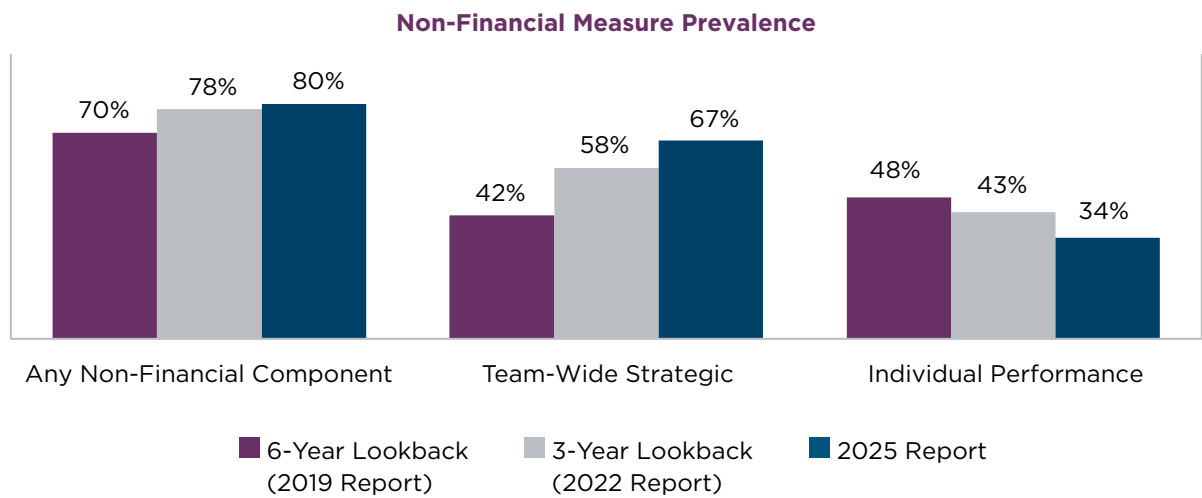
Additionally, use of other financial measures not captured in any category above has incrementally increased over the past 6 years (21% prevalence in 2025 and 18% in 2019). This category primarily includes industry-specific financial indicators important to investors or company-wide strategic priorities, such as cost reduction or inventory turns.



NON-FINANCIAL MEASURES

Non-financial measures complement a company’s financial objectives by focusing executives on strategic and individual performance factors that target short-term success and contribute to longer-term business objectives. In some cases, these measures also allow companies to differentiate participant performance by rewarding individual contributions or acknowledging collective efforts towards goals such as integrating M&A assets, prioritizing technological improvements, advancing human capital initiatives, and growing loyalty programs. When implemented appropriately into an annual incentive plan, non-financial measures can effectively support sustained growth, allow more flexibility in assessing performance at the end of the year and provide committees an opportunity to apply discretion to mitigate some volatility in pay programs that may be out of a participant’s control, such as macroeconomic events.

In 2025, the use of non-financial measures in annual incentive plans increased slightly from 2022 to 80% prevalence, but up meaningfully from 70% in 2019. The measurement approach shows a clear trend favoring team-wide strategic goals in lieu of individual objectives. The prevalence of team-wide strategic measures increased from 42% in 2019 to 67% in 2025, while the prevalence of individual performance measures has decreased from 48% to 34% over the same time period. This trend highlights the growing preference for highlighting strategic initiatives in performance evaluations and was initially driven by the heightened focus on ESG and its resulting inclusion in annual incentive plans. Despite an observed decline, individual performance measurement remains an effective tool for companies wanting to recognize top talent or differentiate goals among participants.

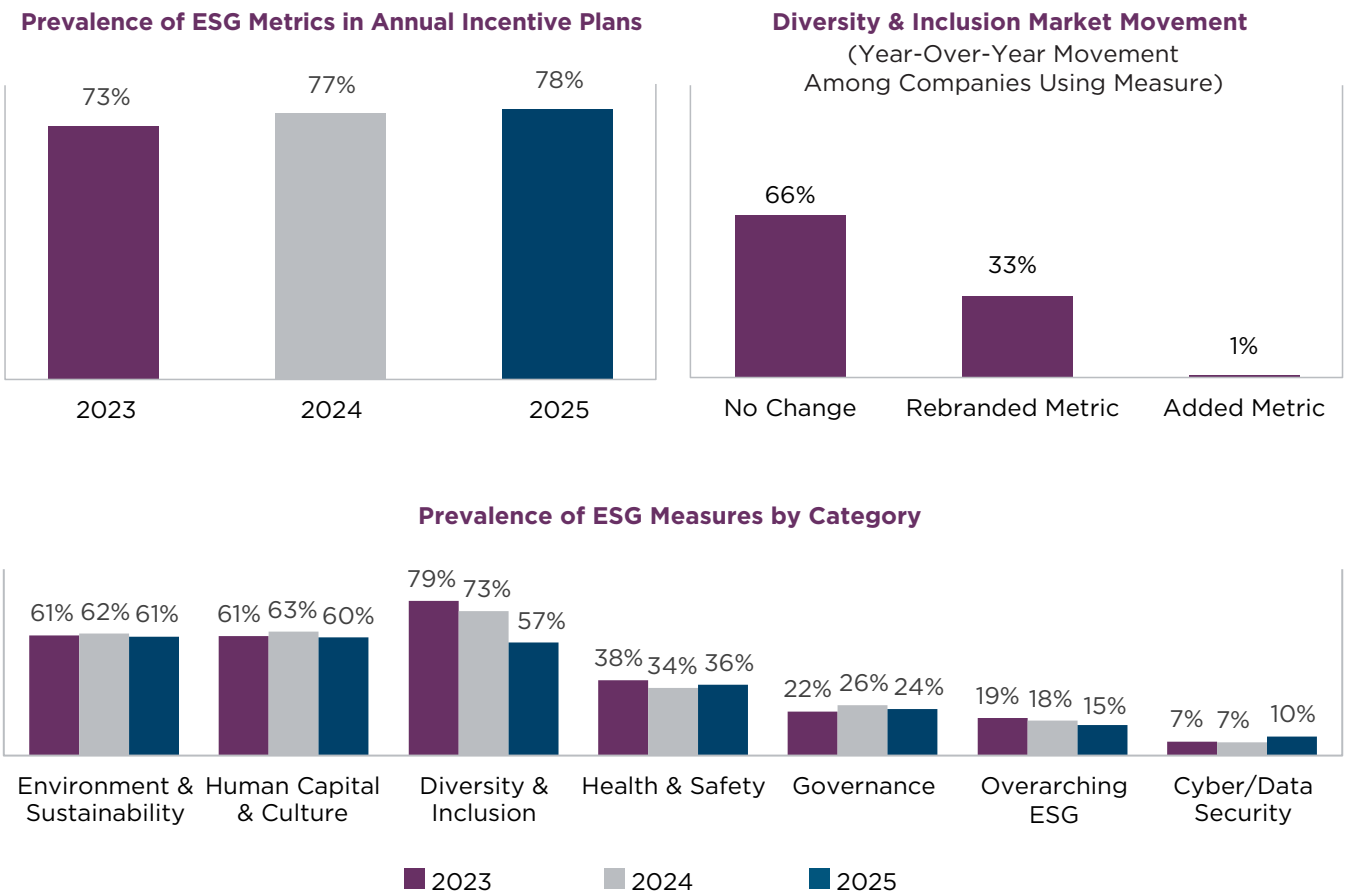


NON-FINANCIAL MEASURES

Environmental, Social and Governance (ESG) Measures in Annual Incentive Plans

There has been a marginal increase in the use of ESG measures in annual incentive plans over the past two years (78% of the top 250 companies included some form of ESG measure in 2025, and 73% in 2023). Despite minimal movement in prevalence for measures in the broader ESG category, we note the following key observations:

- Prevalence of diversity & inclusion measures declined significantly over the past two years (79% in 2023, 73% in 2024, and 57% in 2025) as companies reassess the political and legal risks associated with their use
- Among companies that incorporated diversity & inclusion related measures for the prior two years, 33% rebranded the measure in 2025, suggesting it remains a strategic priority while potentially deflecting some external backlash (an example of rebranding would be replacing references to “diversity” with “culture of inclusion”)
- Only 1% of the top 250 companies added a diversity & inclusion measure in 2025
- Use of overarching ESG measures declined slightly as shareholder preferences shift to more specific measures that more clearly demonstrate alignment to company strategies (for example, measurement of specific greenhouse gas emissions reduction goals within a specific timeframe as opposed to implementation of an environmental framework)
- Prevalence of cyber/data security measures increased from 7% in 2023 and 2024 to 10% in 2025, suggesting more companies are prioritizing risk mitigation against cyber attacks

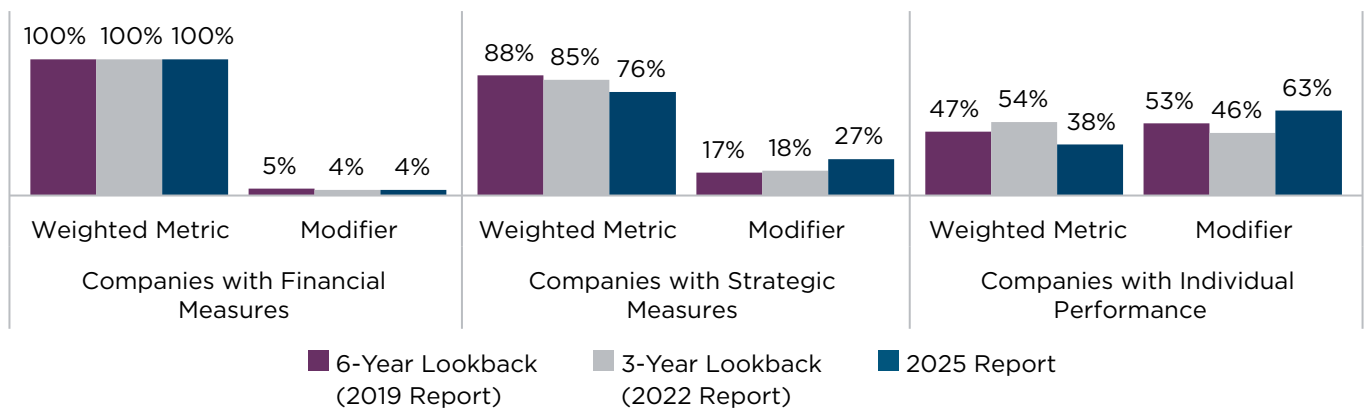


PERFORMANCE MEASUREMENT APPROACH

While performance metrics are defined as measures with specific weightings (e.g., EBITDA at 75% and revenue at 25%) in formulaic annual incentive plans, modifiers do not have a specific weighting and may only adjust calculated metric payouts up or down. Modifiers provide a check on the primary metric(s) in the annual incentive plan. Some modifiers only have limited ability to influence final payouts (e.g., can increase or decrease payouts by up to 10%). In contrast, other modifiers may be able to reduce payouts to zero or increase payouts to the maximum opportunity.

Financial measures are typically included in annual incentive plans as weighted metrics, while use of financial measures as modifiers remains uncommon (4% prevalence). Strategic goals are also more commonly used as weighted metrics (76% prevalence), though a sizeable minority use performance on strategic objectives to modify payout levels (27% prevalence, up from 18% three years ago). Measurement approach for individual metrics is split, with 38% of companies measuring individual performance as a weighted metric and 63% as a modifier (a change from 54% and 46%, respectively, three years ago). The increased use of modifiers for both strategic and individual performance measurement indicates more companies prefer to adjust payouts for strategic and individual contributions, but only when financial metric performance thresholds are met.

Performance Measurement Approach: Weighted vs. Modifier



— Statistics exceed 100% as some companies utilize both weighted metrics and modifiers

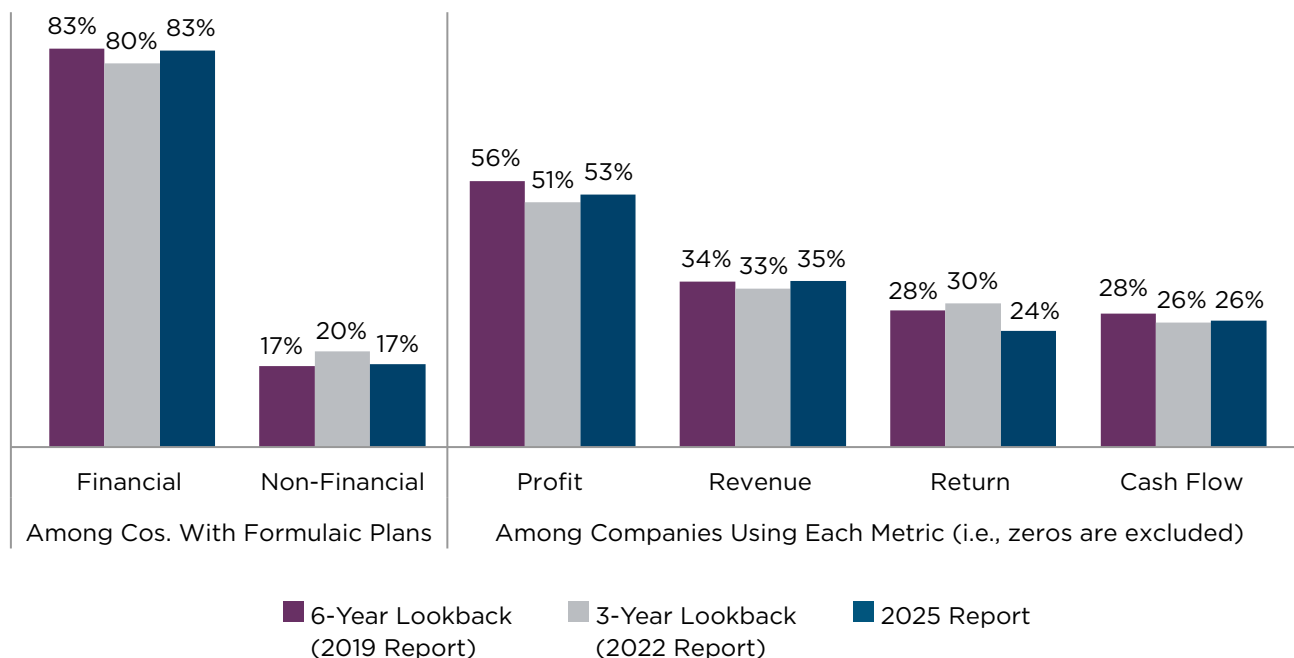
WEIGHTING OF METRICS

On average, companies with formulaic plans allocate 83% of annual incentive plan performance weighting to financial metrics, while non-financial metrics account for the remaining 17%. These findings are generally consistent with the 2022 and 2019 reports.

Profitability measures continue to be the most highly-weighted metrics in annual incentive plans, making up just over half of the financial portion. Weightings of other financial metrics, such as revenue, cash flow and returns, average between 24% and 35%.

Certain industries favor non-financial metrics more than others, as these measures are vital to their success and are frequently communicated to investors. For example, safety, environmental objectives, and portfolio management are critical for the Utilities, Energy, and Real Estate industry sectors. These industry sectors often allocate substantial portions of their incentive plans (some up to 40% or 50%) to capture these essential aspects of operations.

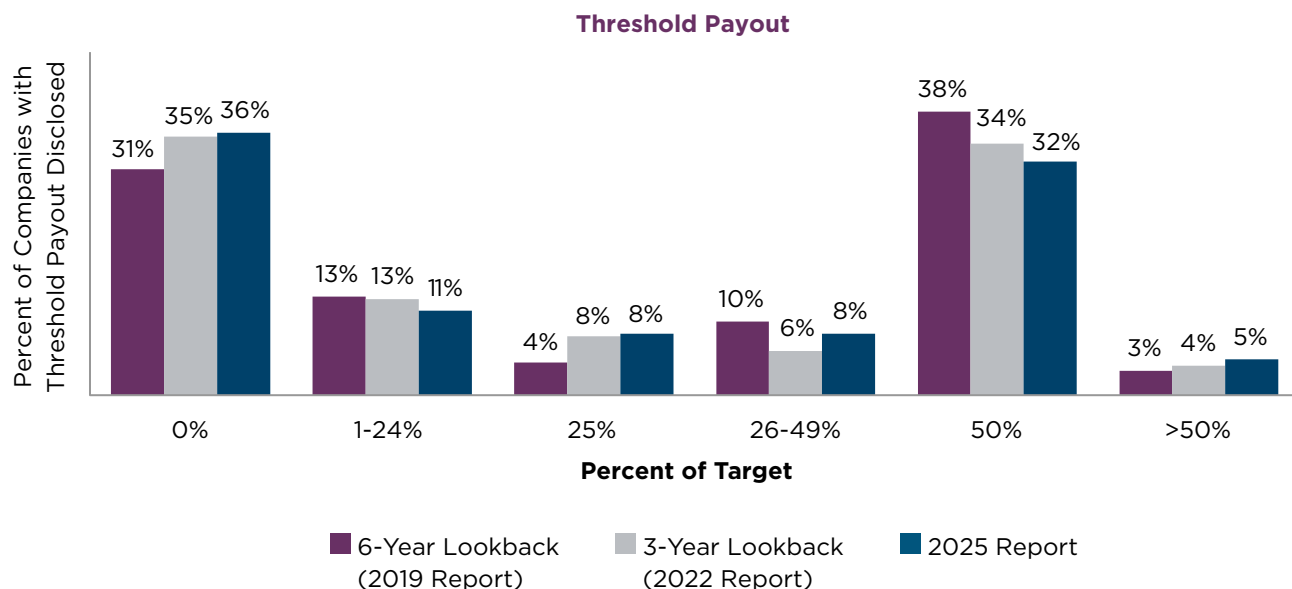
Average Weighting of Metrics



ANNUAL INCENTIVE PLAN PAYOUT RANGES

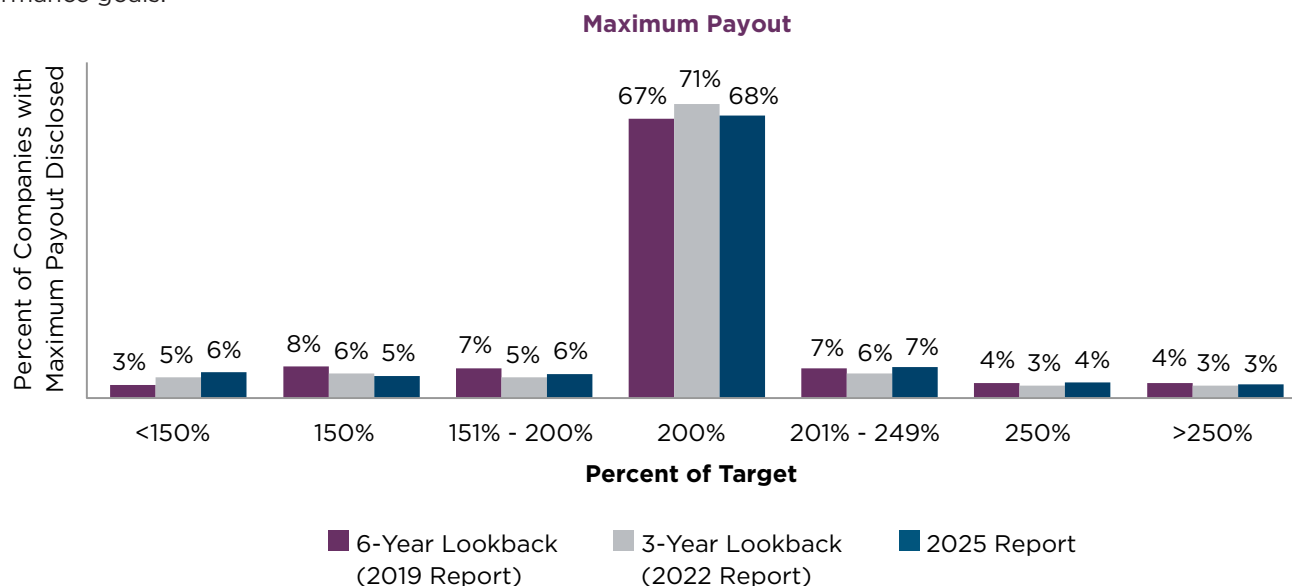
Threshold Payout

The threshold payout represents the opportunity, as a percent of target, which is provided for achieving threshold performance goals. Threshold payouts of either 0% (36% prevalence) or 50% of target (32% prevalence) are most common in 2025. The percentage of companies providing a 0% and 25% payout for threshold performance has steadily increased since 2019. At the same time, the prevalence of threshold payouts set at 50% of target has slightly declined. This trend suggests that companies are increasingly building in more downside protection for below-target performance.



Maximum Payout

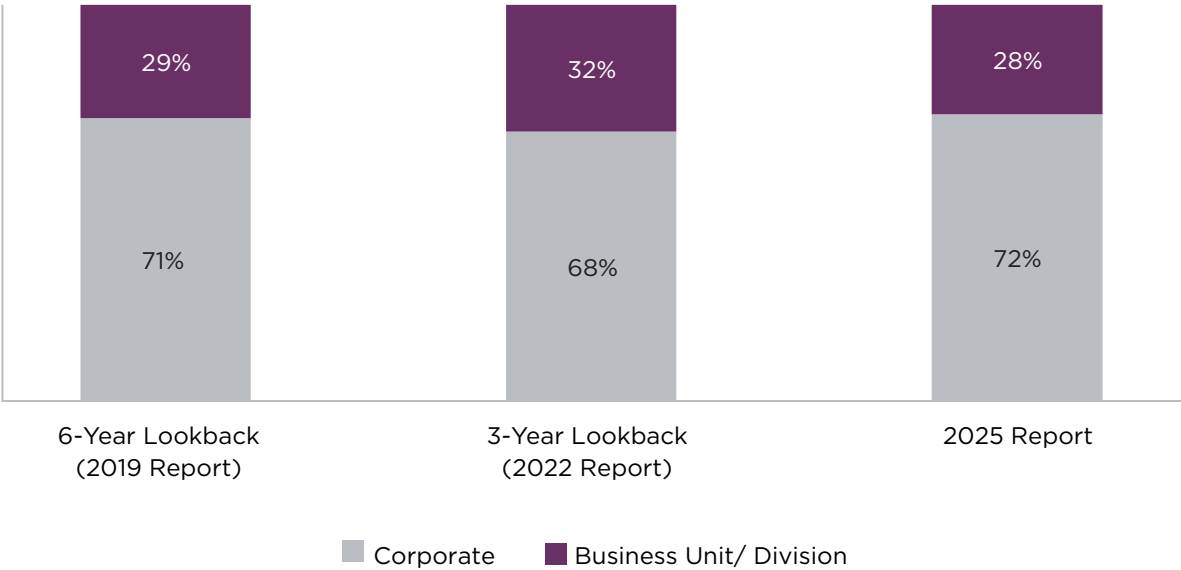
Consistent with the past six years, setting a maximum payout level of 200% of target is the most common practice in the market. A 200% maximum payout opportunity provides a balanced approach by offering substantial upside leverage for participants, while avoiding the perception of encouraging excessive risk-taking. This level of payout is generally acceptable to proxy advisors and institutional investors so long as the maximum payout coincides with stretch performance goals.



EVALUATING BUSINESS UNIT OFFICER PERFORMANCE

A key decision with respect to incentive design is whether senior executives leading significant segments or divisions should be primarily rewarded for their business unit's performance or the performance of the company as a whole. For companies that disclose business unit officers in their proxy statements, the average weighting within annual incentive plans has remained relatively unchanged over the past 6 years, with approximately 70% allocated to corporate performance and 30% to business unit/division performance. This approach indicates a desire to maintain a more unified strategy for senior leadership, reducing the likelihood of having winners and losers within the team, and promoting collaboration between segments and functional leaders.

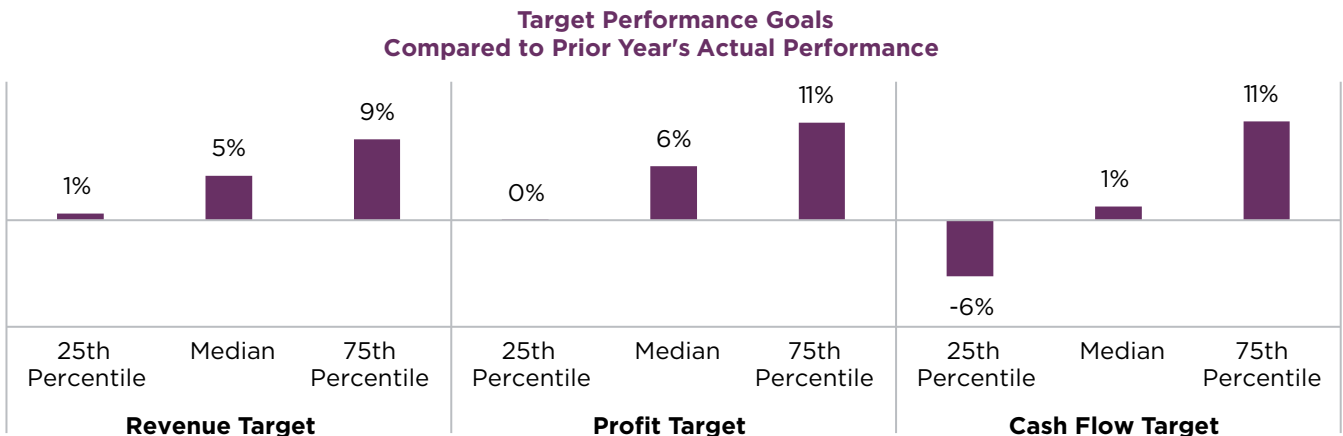
Average Financial Weighting of Corporate vs. Business Unit



FINANCIAL METRIC GOAL-SETTING

Target Goal-Setting Relative to Prior Year Actual Performance

Goal-setting remains a crucial and challenging exercise for companies, which must balance strategic priorities with investor expectations. Uncertain economic conditions can add further pressure in setting reasonable and reliable goals for the upcoming year. Our 2025 report highlights the differences in how companies set target goals for different financial metrics related to the prior year’s performance. As shown in the chart below, median target performance goals for revenue, profit, and cash flow measures were all set above prior year actual performance, at 5%, 6% and 1%, respectively.



FINANCIAL METRIC GOAL-SETTING

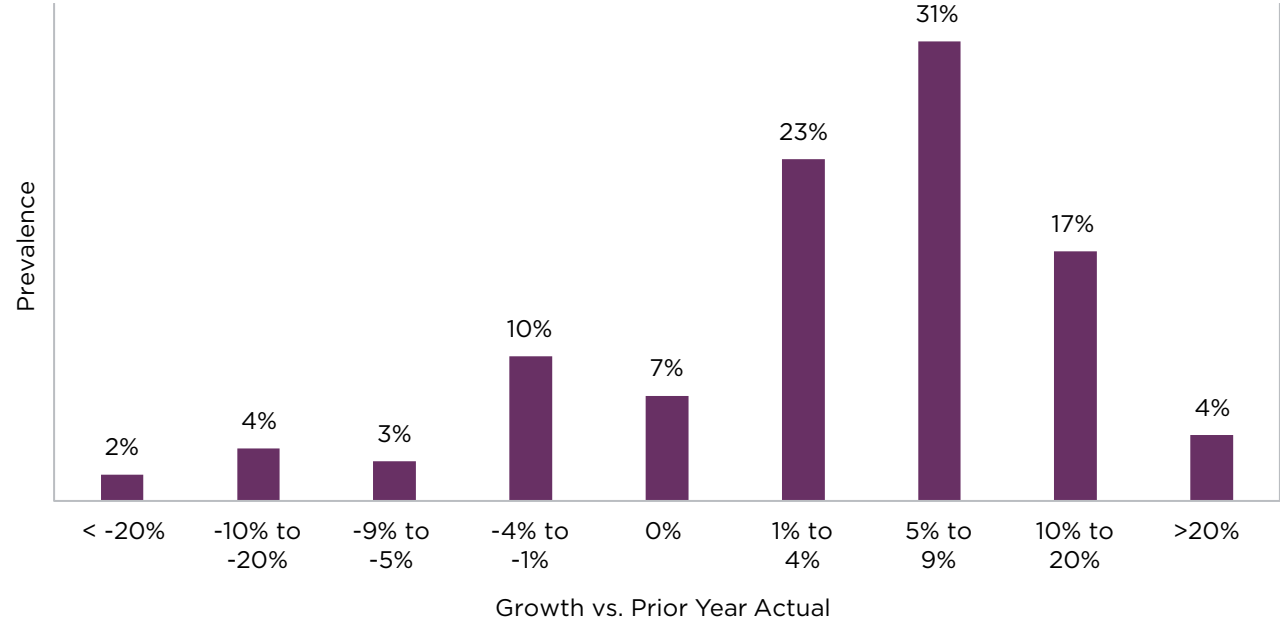
Goal-Setting: Distribution of Revenue, Profit, and Cash Flow Targets

In 2025, approximately 75% of companies set targets for profit and revenue above the prior year’s actual performance outcome.

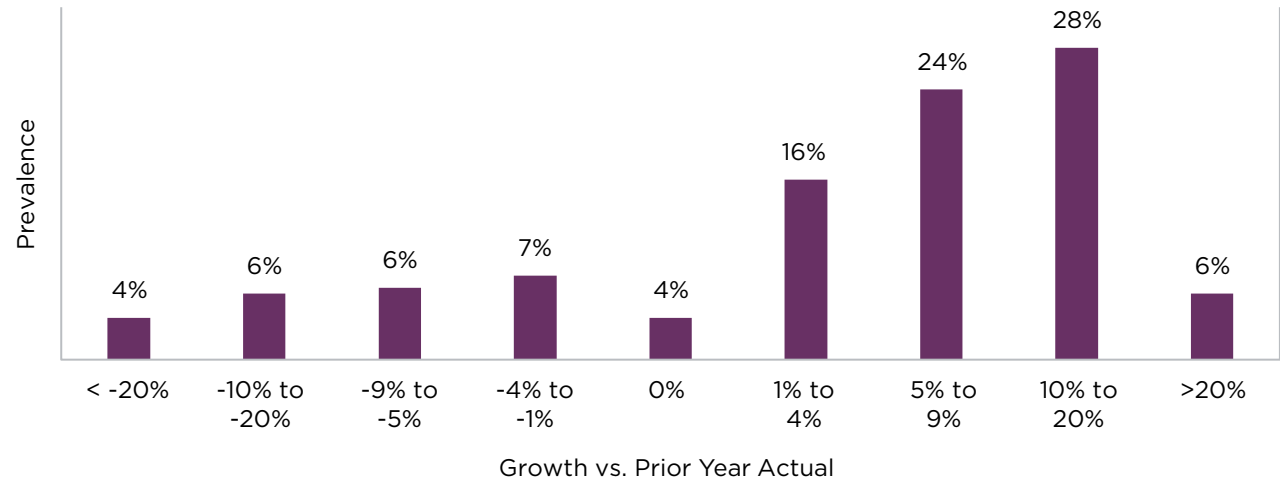
Cash flow target-setting practices were more variable, with nearly one half of companies setting targets at or below prior year actual. This varied practice reflects the fact that cash flow metrics are inherently more volatile.

The disparity in target-setting practices between metrics can be attributed to differences in line of sight and predictability (e.g., revenue tends to have narrower ranges given more predictability of growth compared to other metrics derived further down the income statement).

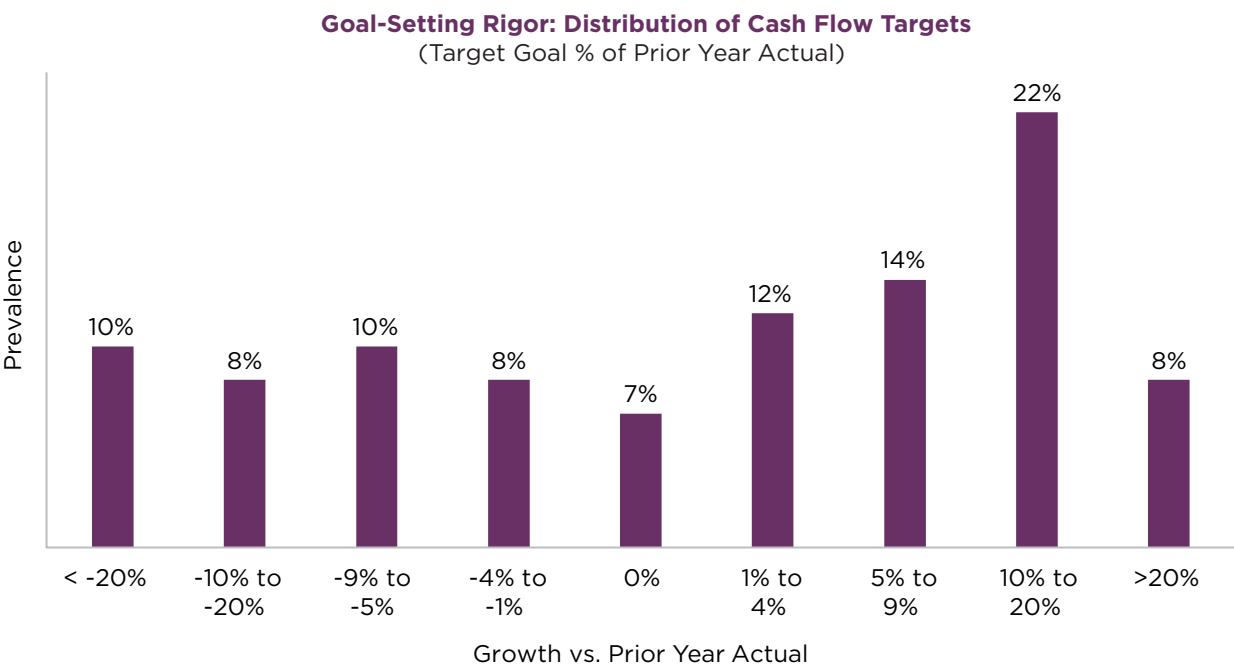
Goal-Setting Rigor: Distribution of Revenue Targets
(Target Goal % of Prior Year Actual)



Goal-Setting Rigor: Distribution of Profit Targets
(Target Goal % of Prior Year Actual)



FINANCIAL METRIC GOAL-SETTING

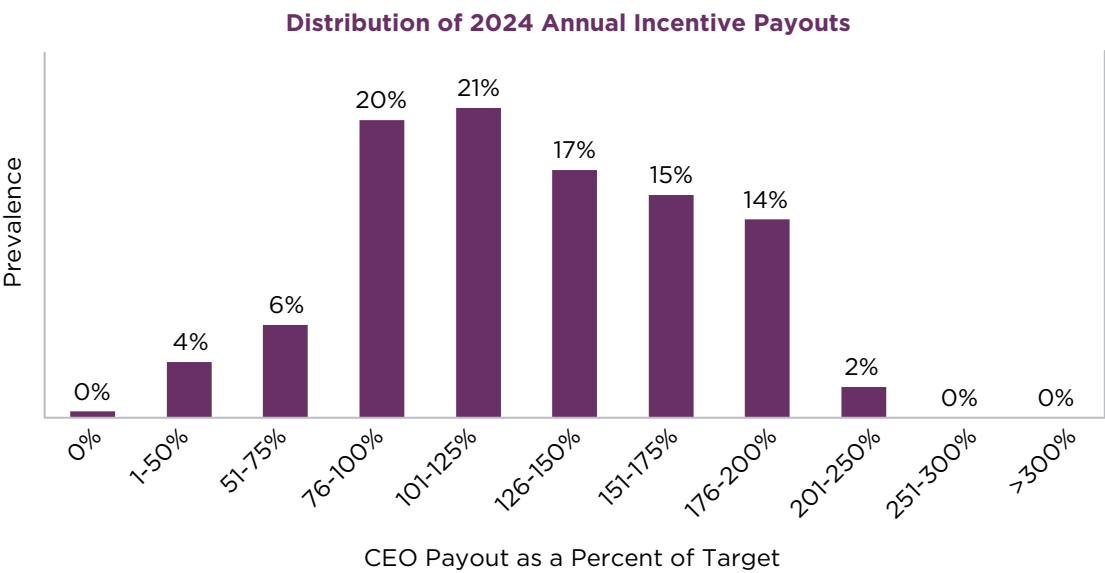


Goal-Setting Rigor vs. Actual Performance Achievement

Evaluating how companies perform relative to their goals provides insight into the effectiveness and rigor of their goal-setting processes. Well-designed incentive plans often demonstrate the following likelihood of achievement scale over a longer period (i.e., 10 years):

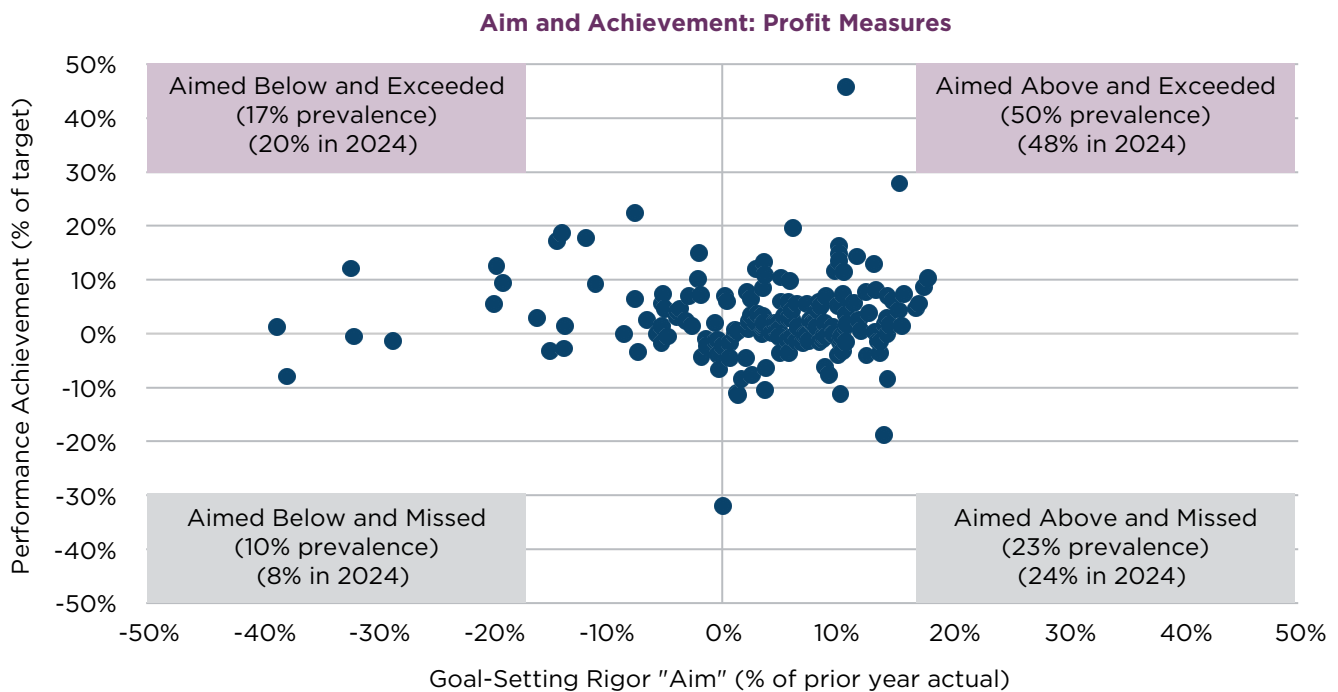
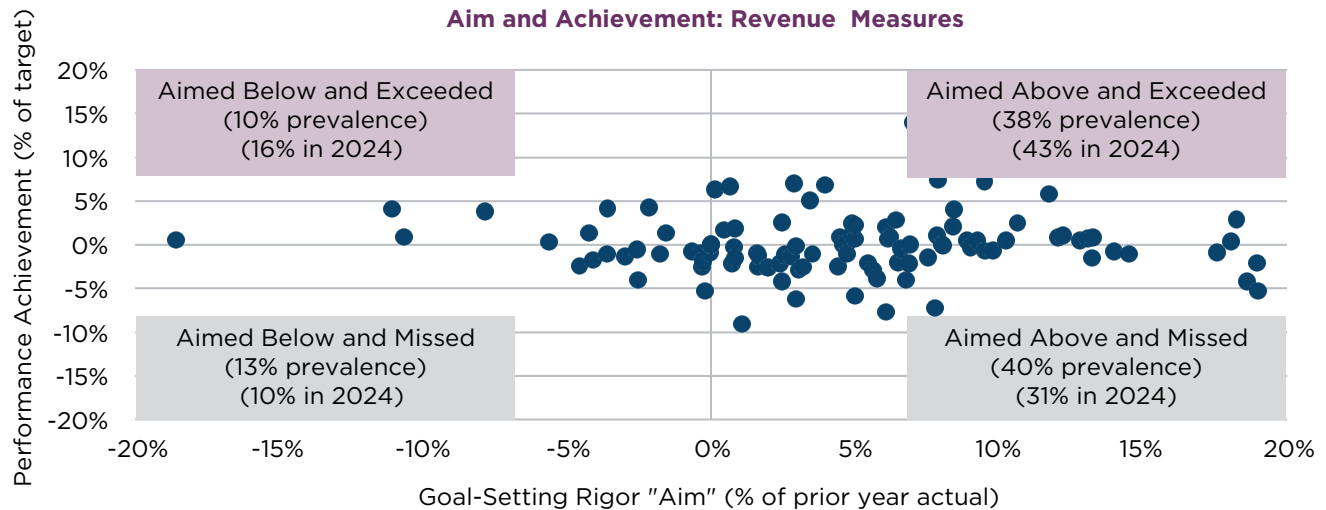
- Achieve at least threshold performance 90% of the time.
- Achieve target performance 50%-60% of the time.
- Achieve maximum performance 10%-20% of the time.

The bonus payouts for the Top 250 companies, as illustrated in the distribution chart below, align closely with these probabilities. Most payouts fall within the target range, with fewer payouts at the extreme ends of the spectrum, consistent with the expected distribution.

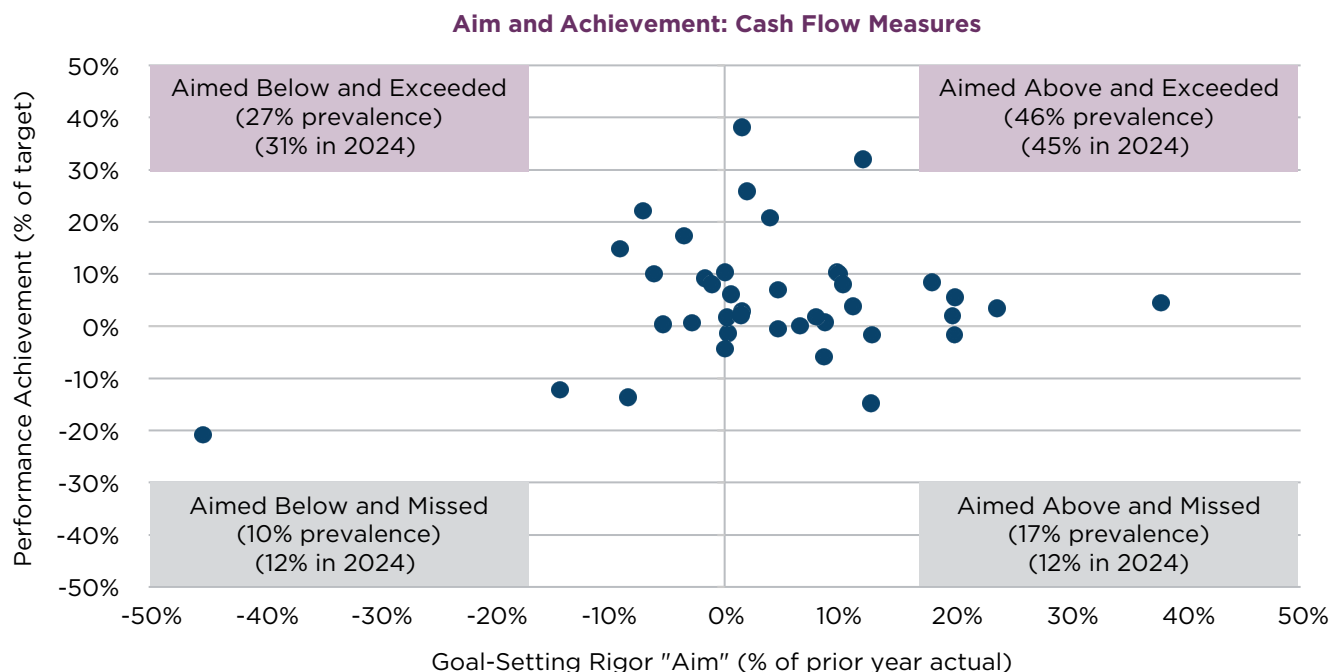


FINANCIAL METRIC GOAL-SETTING

The analysis below compares goal-setting rigor (defined as “Aim”) against actual performance achievement for revenue, profit, and cash flow measures. ‘Aim’ measures how aggressively or conservatively companies set their annual incentive targets relative to prior year actual performance—either below, or above. The exhibits provide a visual breakdown of achievement of performance goals based on whether companies set more conservative or aggressive goals.



FINANCIAL METRIC GOAL-SETTING



Legend:

Aimed Below (Above): Companies who set their target below (above) prior year's actual performance

Missed (Exceeded): Companies who achieved below (above) target performance

Companies Who Aimed Below:

A minority of companies chose to set their targets below the prior year's actual performance, reflecting a conservative approach. Specifically, in 2025, 23% of companies for revenue measures, 27% for profit measures, and 37% for cash flow measures aimed below prior year results. Companies adopting this approach often do so due to:

- Market uncertainty, cyclicity, or internal challenges.
- Unsustainable record performance in the prior year.
- Previous cycles of low or zero payouts, where further low payouts could affect employee morale and retention.

Setting conservative goals can serve as a strategic reset for companies undergoing a turnaround, allowing them to build a track record of achievement. However, if payouts significantly exceed these conservative targets, investors and proxy advisors may question the goal-setting rigor and overall process. Proxy advisors have particular issues with companies if they also identify pay-and-performance misalignment in their quantitative models. In addition, missing conservative targets can signal troubled financial health and suggest potential operational challenges or strategic missteps.

Companies Who Aimed Above:

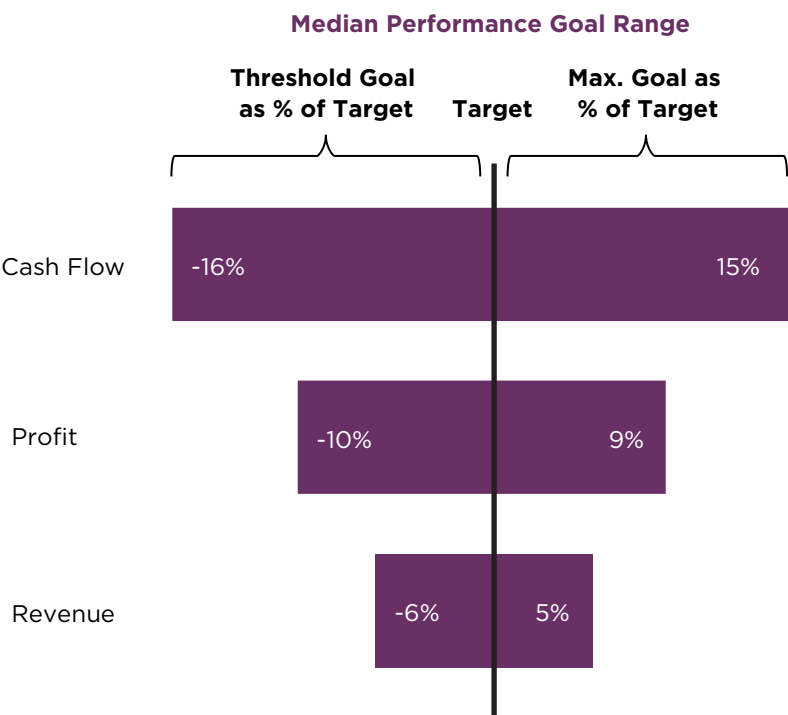
In 2025, a majority portion of companies set targets above the prior year's actual performance, reflecting expected growth. Specifically, 78% of companies for revenue measures, 73% for profit measures, and 63% for cash flow measures. Investors and other stakeholders view companies setting ambitious targets and achieving them positively. This demonstrates strong performance, strategic execution, and effective management. However, missing ambitious target performance could indicate unrealistic goals from a participant's perspective or challenges in execution due to adverse market conditions and could affect employee morale and retention.

FINANCIAL METRIC GOAL-SETTING

Threshold and Maximum Goals In Relation to Target (Performance Goal Ranges)

Another important aspect of goal setting is the width of the performance range relative to target. This range includes the threshold level of performance at which some portion of the bonus is paid and the maximum level of performance at which the full bonus is awarded. Performance ranges are generally tied to the confidence a company has in achieving its target goal — the less certainty a company has about its forecast accuracy, the wider the performance range tends to be. These ranges are determined by calculating the threshold and maximum performance goals as percentages of the target goal.

The exhibit below shows the median performance goal ranges across different metrics.



The median performance range for revenue is approximately +/-5%, suggesting companies have a higher degree of confidence in forecasting top line growth. As more factors/variables (e.g., expenses) are introduced, forecasting performance becomes more challenging, as evidenced by wider performance ranges of approximately +/- 10% and +/- 15% for profit and cash flow metrics, respectively. These metrics are more difficult to forecast compared to revenue, as profit metrics can be influenced by various expenses and cash flow by numerous factors, such as changes in working capital, investment activities, and external economic conditions.

APPENDIX – SUPPLEMENTAL DETAIL BY INDUSTRY SECTOR

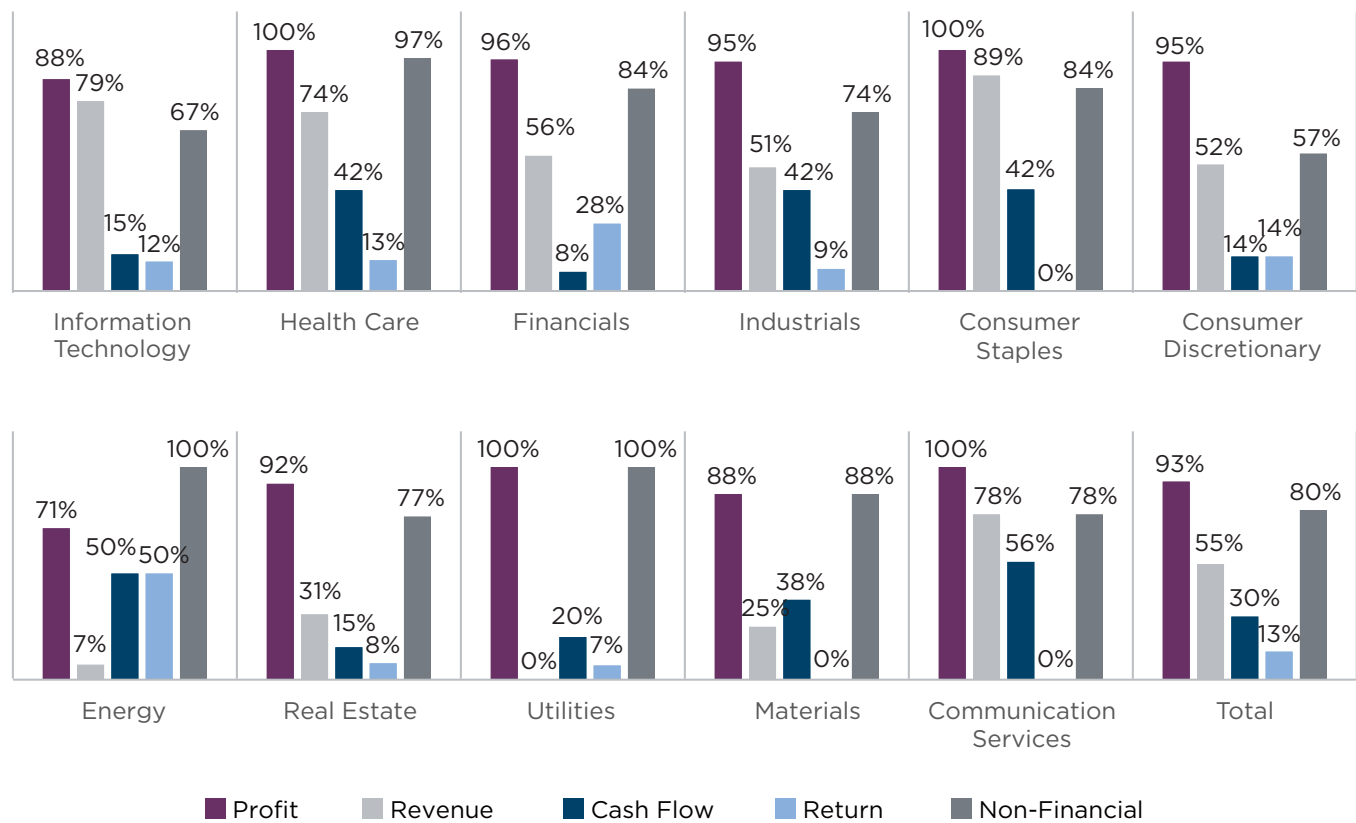
A. Prevalence of Number of Financial Measures

Industry Sector	Industry Statistics: Number of Financial Measures				
	1	2	3	4	≥5
Information Technology	15%	61%	18%	0%	6%
Health Care	16%	23%	35%	19%	6%
Financials	16%	36%	20%	8%	20%
Industrials	12%	37%	47%	2%	2%
Consumer Staples	5%	42%	32%	5%	16%
Consumer Discretionary	29%	38%	24%	10%	0%
Energy	14%	36%	14%	14%	21%
Real Estate	38%	38%	8%	8%	8%
Utilities	53%	40%	7%	0%	0%
Materials	38%	13%	38%	13%	0%
Communication Services	11%	44%	44%	0%	0%

APPENDIX – SUPPLEMENTAL DETAIL

BY INDUSTRY SECTOR

B. Prevalence of Financial Measure Types



APPENDIX – SUPPLEMENTAL DETAIL BY INDUSTRY SECTOR

C. Average Weighting of Metrics

Industry Sector	Average Metric Weighting						
	Total ⁽¹⁾		Financial ⁽²⁾				
	Financial	Non-Fin.	Profit	Revenue	Cash Flow	Returns	Other
Information Technology	89%	11%	47%	48%	28%	23%	—
Health Care	77%	23%	43%	34%	18%	16%	23%
Financials	89%	11%	57%	32%	—	17%	40%
Industrials	88%	12%	56%	27%	34%	—	17%
Consumer Staples	83%	17%	41%	35%	18%	—	21%
Consumer Discretionary	82%	18%	62%	38%	25%	13%	17%
Energy	68%	33%	41%	—	22%	26%	27%
Real Estate	75%	25%	62%	25%	30%	—	16%
Utilities	67%	33%	60%	—	20%	—	9%
Materials	90%	10%	71%	26%	30%	—	27%
Communication Services	84%	16%	50%	24%	25%	—	58%

“—” indicates limited sample size

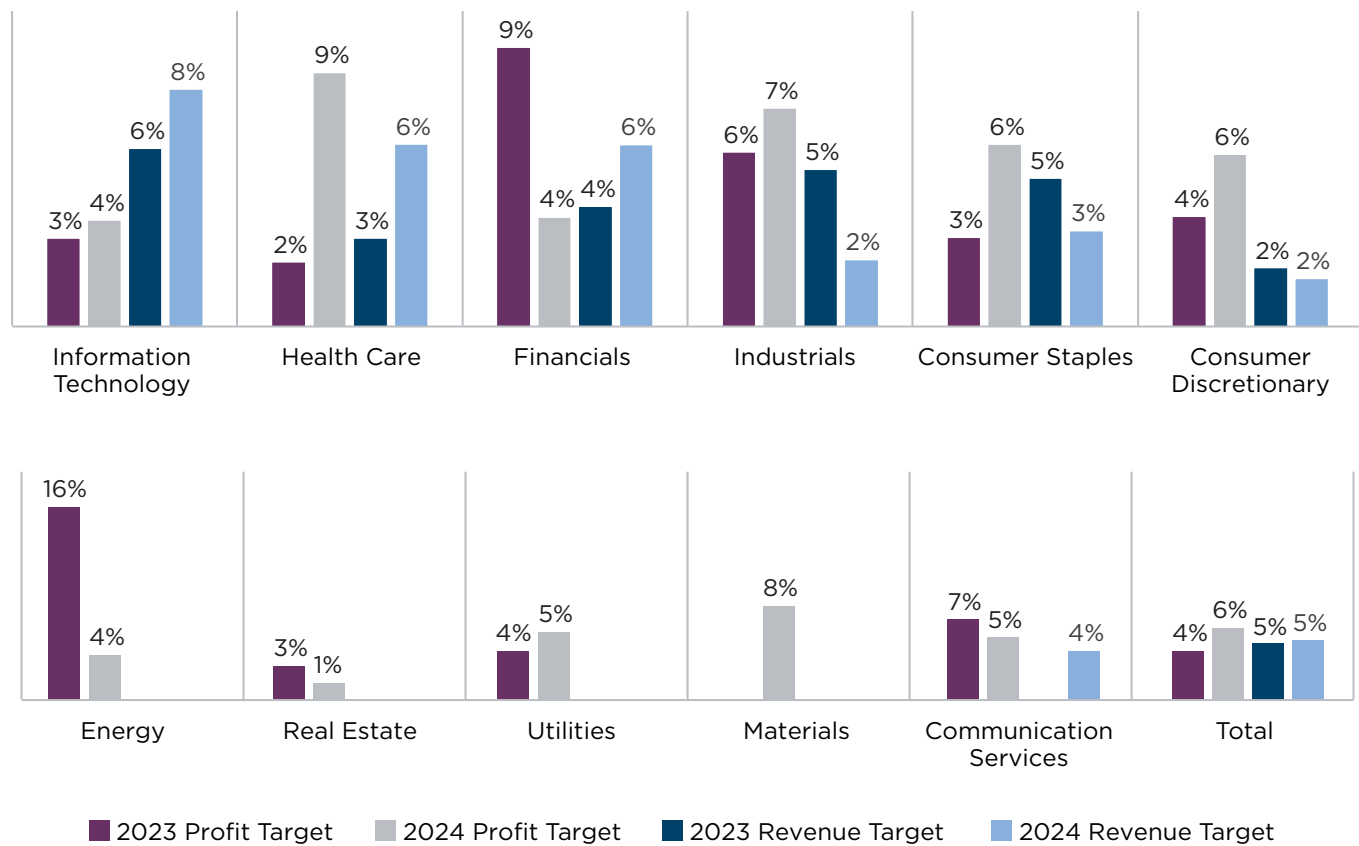
(1) Statistics calculated for all companies with formulaic plans

(2) Statistics calculated for all companies using each metric (i.e., excludes zeros)

APPENDIX – SUPPLEMENTAL DETAIL

BY INDUSTRY SECTOR

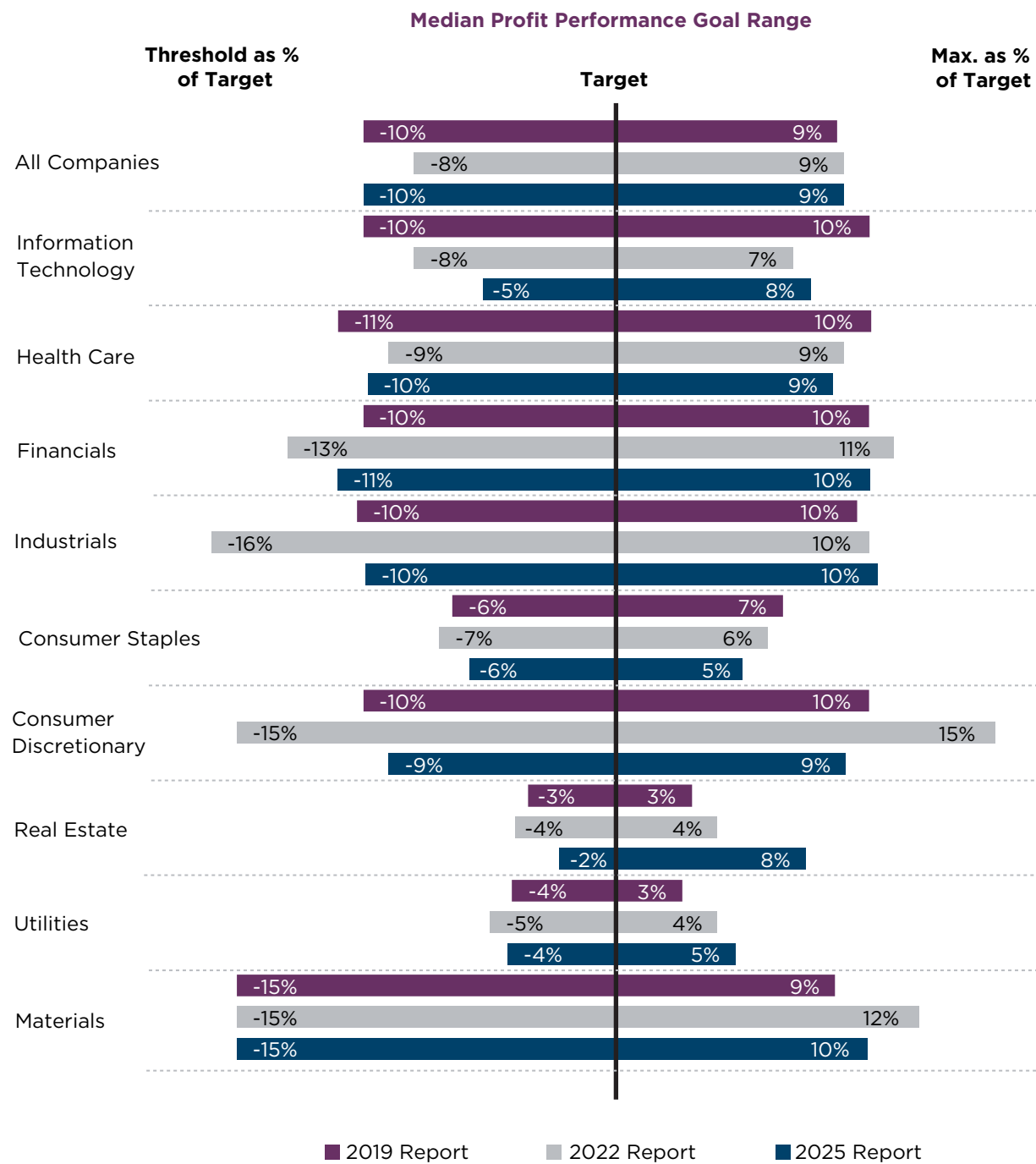
D. Median Target Goal-Setting Compared to Last Year's Actual Performance



— No bars indicates that statistics are excluded or noncalculable due to small sample size

APPENDIX – SUPPLEMENTAL DETAIL BY INDUSTRY SECTOR

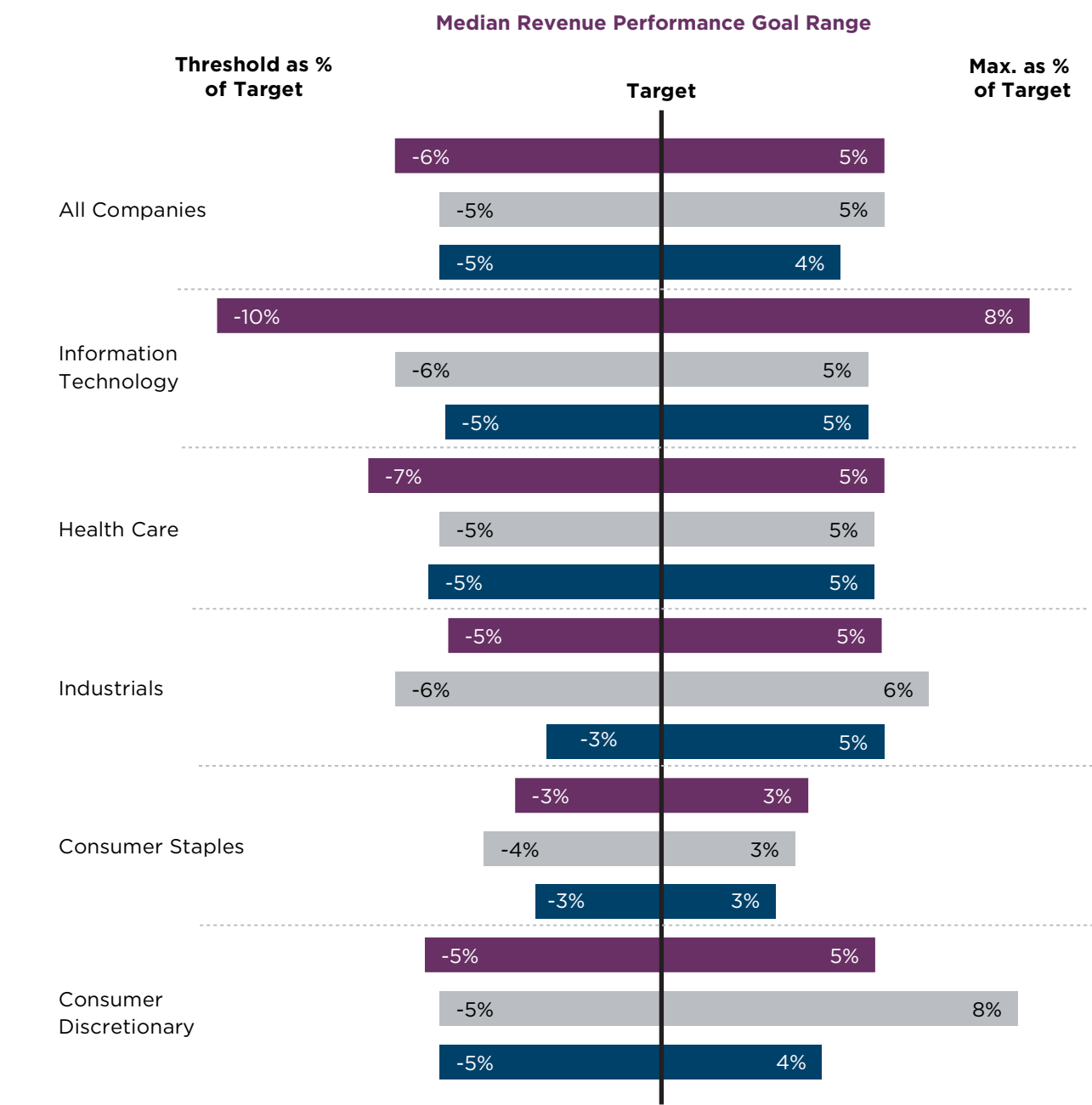
E. Median Profit Performance Goal Ranges



-- Energy and Communication Services industry sectors not shown due to small sample sizes

APPENDIX – SUPPLEMENTAL DETAIL BY INDUSTRY SECTOR

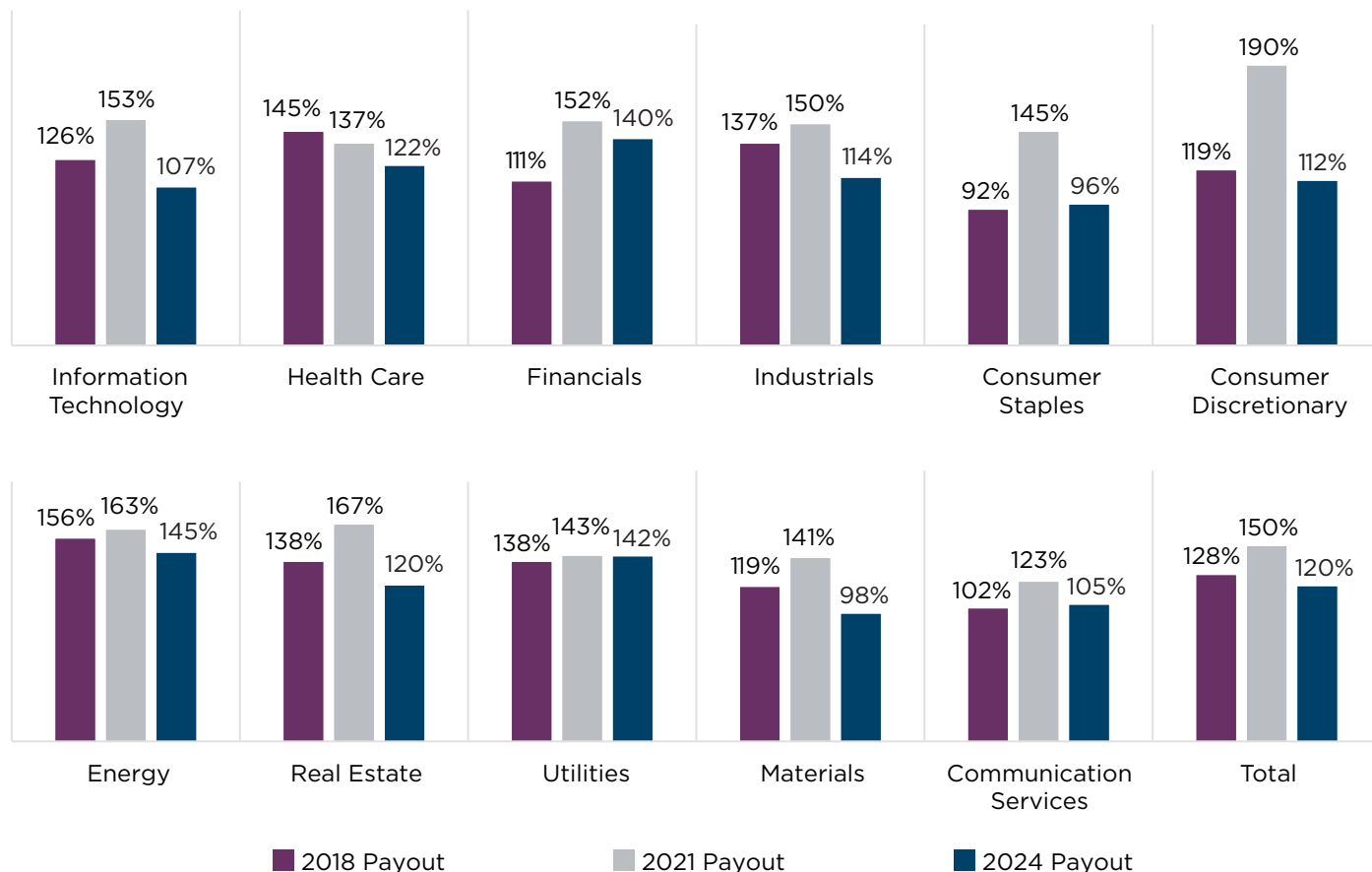
F. Median Revenue Performance Goal Ranges



— Industry sectors not shown are excluded due to small sample sizes

APPENDIX – SUPPLEMENTAL DETAIL BY INDUSTRY SECTOR

G. Median CEO Annual Incentive Payouts as a Percent of Target



APPENDIX – COMPANIES STUDIED

Communication Services (10 Companies)

AT&T Inc.	Meta Platforms, Inc.	T-Mobile US, Inc.
Charter Communications, Inc.	Netflix, Inc.	Verizon Communications Inc.
Comcast Corporation	Take-Two Interactive	
Electronic Arts Inc.	The Walt Disney Company	

Consumer Discretionary (21 Companies)

Airbnb, Inc.	General Motors Company	O'Reilly Automotive, Inc.
AutoZone, Inc.	Hilton Worldwide Holdings Inc.	Ross Stores, Inc.
Booking Holdings Inc.	Lennar Corporation	Royal Caribbean Cruises Ltd.
Chipotle Mexican Grill, Inc.	Lowe's Companies, Inc.	Starbucks Corporation
D.R. Horton, Inc.	Marriott International, Inc.	The Home Depot, Inc.
eBay Inc.*	McDonald's Corporation	The TJX Companies, Inc.
Ford Motor Company	NIKE, Inc.	Yum! Brands, Inc.

Consumer Staples (19 Companies)

Altria Group, Inc.	Kimberly-Clark Corporation	The Coca-Cola Company
Colgate-Palmolive Company	Mondelez International, Inc.	The Hershey Company
Constellation Brands, Inc.	Monster Beverage Corporation	The Kroger Co.
Costco Wholesale Corporation	PepsiCo, Inc.	The Procter & Gamble Company
General Mills, Inc.	Philip Morris International Inc.	Walmart Inc.
Kenvue Inc.	Sysco Corporation	
Keurig Dr Pepper Inc.	Target Corporation	

Energy (14 Companies)

Baker Hughes Company	Exxon Mobil Corporation	Schlumberger Limited
Chevron Corporation	Marathon Petroleum Corporation	Targa Resources Corp.*
ConocoPhillips	Occidental Petroleum Corporation	The Williams Companies, Inc.
Diamondback Energy, Inc.	ONEOK, Inc.	Valero Energy Corporation
EOG Resources, Inc.	Phillips 66	

Financials (37 Companies)

Aflac Incorporated	Intercontinental Exchange, Inc.	The Bank of New York Mellon Corporation
American Express Company	JPMorgan Chase & Co.	The Charles Schwab Corporation
American International Group, Inc.	Marsh & McLennan Companies, Inc.	The Goldman Sachs Group, Inc.
Ameriprise Financial, Inc.	Mastercard Incorporated	The Hartford Insurance Group, Inc.*
Arthur J. Gallagher & Co.	MetLife, Inc.	The PNC Financial Services Group, Inc.
Bank of America Corporation	Moody's Corporation	The Progressive Corporation
BlackRock, Inc.	Morgan Stanley	The Travelers Companies, Inc.
Blackstone Inc.	MSCI Inc.	Truist Financial Corporation
Capital One Financial Corporation	Nasdaq, Inc.	U.S. Bancorp
Citigroup Inc.	PayPal Holdings, Inc.	Visa Inc.
CME Group Inc.	Prudential Financial, Inc.	Wells Fargo & Company
Fidelity National Information Services, Inc.	S&P Global Inc.	
Fiserv, Inc.	The Allstate Corporation	

(*Denotes new company in 2025 Top 250)

APPENDIX – COMPANIES STUDIED

Health Care (33 Companies)

Abbott Laboratories	Edwards Lifesciences Corporation	Pfizer Inc.
AbbVie Inc.	Elevance Health, Inc.	Regeneron Pharmaceuticals, Inc.
Agilent Technologies, Inc.	Eli Lilly and Company	ResMed Inc.
Amgen Inc.	GE HealthCare Technologies Inc.	Stryker Corporation
Becton, Dickinson and Company	Gilead Sciences, Inc.	The Cigna Group
Boston Scientific Corporation	HCA Healthcare, Inc.	Thermo Fisher Scientific Inc.
Bristol-Myers Squibb Company	Humana Inc.	UnitedHealth Group Incorporated
Cardinal Health, Inc.*	IDEXX Laboratories, Inc.	Vertex Pharmaceuticals Incorporated
Cencora, Inc.	Intuitive Surgical, Inc.	Zoetis Inc.
Centene Corporation	Johnson & Johnson	
CVS Health Corporation	McKesson Corporation	
Danaher Corporation	Merck & Co., Inc.	

Industrials (44 Companies)

3M Company	General Dynamics Corporation	Quanta Services, Inc.
AMETEK, Inc.	General Electric Company	Republic Services, Inc.
Automatic Data Processing, Inc.	Honeywell International Inc.	RTX Corporation
Axon Enterprise, Inc.*	Howmet Aerospace Inc.*	The Boeing Company
Carrier Global Corporation	Illinois Tool Works Inc.	TransDigm Group Incorporated
Caterpillar Inc.	Ingersoll Rand Inc.	Uber Technologies, Inc.
Cintas Corporation	L3Harris Technologies, Inc.	Union Pacific Corporation
Copart, Inc.	Lockheed Martin Corporation	United Parcel Service, Inc.
CSX Corporation	Norfolk Southern Corporation	United Rentals, Inc.
Cummins Inc.	Northrop Grumman Corporation	Verisk Analytics, Inc.
Deere & Company	Old Dominion Freight Line, Inc.	W.W. Grainger, Inc.
Emerson Electric Co.	Otis Worldwide Corporation	Waste Management, Inc.
Equifax Inc.*	PACCAR Inc	Westinghouse Air Brake
Fastenal Company	Parker-Hannifin Corporation	Xylem Inc.
FedEx Corporation	Paychex, Inc.	

Information Technology (35 Companies)

Adobe Inc.	Corning Incorporated*	Motorola Solutions, Inc.
Advanced Micro Devices, Inc.	CrowdStrike Holdings, Inc.*	NVIDIA Corporation
Amphenol Corporation	Fair Isaac Corporation*	Oracle Corporation
Analog Devices, Inc.	Fortinet, Inc.	Palo Alto Networks, Inc.
Apple Inc.	Gartner, Inc.	QUALCOMM Incorporated
Applied Materials, Inc.	Intel Corporation	Roper Technologies, Inc.
Arista Networks Inc	International Business Machines Corporation	Salesforce, Inc.
Autodesk, Inc.	Intuit Inc.	ServiceNow, Inc.
Broadcom Inc.	KLA Corporation	Synopsys, Inc.
Cadence Design Systems, Inc.	Lam Research Corporation	Texas Instruments Incorporated
Cisco Systems, Inc.	Micron Technology, Inc.	Workday, Inc.*
Cognizant Technology Solutions Corporation	Microsoft Corporation	

(*Denotes new company in 2025 Top 250)

APPENDIX – COMPANIES STUDIED

Materials (8 Companies)

Air Products and Chemicals, Inc.
Corteva, Inc.
Ecolab Inc.

Freeport-McMoRan Inc.
Martin Marietta Materials, Inc.
Newmont Corporation

The Sherwin-Williams Company
Vulcan Materials Company

Real Estate (14 Companies)

American Tower Corporation
AvalonBay Communities, Inc.*
CBRE Group, Inc.*
CoStar Group, Inc.
Crown Castle Inc.

Digital Realty Trust, Inc.
Equinix, Inc.
Extra Space Storage Inc.*
Prologis, Inc.
Public Storage

Realty Income Corporation
Simon Property Group, Inc.
VICI Properties Inc.*
Welltower Inc.

Utilities (15 Companies)

American Electric Power Company, Inc.
American Water Works Company, Inc.*
Consolidated Edison, Inc.
Constellation Energy Corporation
Dominion Energy, Inc.

Duke Energy Corporation
Exelon Corporation
NextEra Energy, Inc.
PG&E Corporation
Public Service Enterprise Group
Incorporated

Sempra
The Southern Company
Vistra Corp.*
WEC Energy Group, Inc.*
Xcel Energy Inc.*

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FW COOK PROFILE

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