

The Church of England Pensions Board this week (Wednesday 14 December) will host investors, regulators, FTSE 100 remuneration committee chairs and other interested stakeholders to review the current state of executive corporate pay.

“The system in which investors vote on executive pay is broken,” said Adam Matthews, Chief Responsible Investment Officer at the Church of England Pensions Board. “When shareholders vote against excessive pay, boards often disregard investor concerns. Votes on Remuneration Reports are advisory and companies often simply seek more engagement but we know little will fundamentally change.”

“I think investors know the current system not only enables, but protects, excess and there is a pretence of accountability. With many workers facing a cost of living crisis it is time to hold Chairs of Remuneration Committees accountable. We also need to consider a review of the shareholder rights we do have and whether investors need a binding, rather than advisory, vote on the outcomes of pay policies. This Summit will begin a process to convene shareholders on a regular basis ahead of the 2023 AGM season.”

Speakers at the Summit include Adam Matthews; Deborah Gilshan from The 100% Club; Simon French, Head of Research and Chief Economist at Panmure Gordon; and speakers from Norges Bank Investment Management (NBIM), Railpen, California State Teachers’ Retirement System, Australian Council of Superannuation Investors, National Employment Savings Trust (NEST), Legal & General Investment Management, Trades Union Congress, Financial Reporting Council, Morningstar and the High Pay Centre, among others.

The Summit will explore the challenges of executive pay from the perspectives of various stakeholders. Speakers will discuss potential solutions that may alleviate the tensions to stakeholder relations that executive pay causes and which are being heightened against the backdrop of a cost of living crisis and economic challenges.

The event comes weeks after comments from the UK Prime Minister, Rt. Hon Rishi Sunak MP, on the topic of executive pay and, in particular, his call for “all executives to embrace pay restraint at a time like this” and that executives “make sure that they are looking after all of their workers”.

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