

INVESTOR STATEMENT ON EXCESSIVE EXECUTIVE COMPENSATION

The undersigned investors, representing a broad coalition of institutional capital with over \$113 billion in assets under management, are calling into question the current state of executive compensation and its implications for long-term value creation. While competitive compensation is an important criterion for attracting and retaining skilled executive managers, investors cannot ignore the widening gap between executive compensation and worker wages, particularly in the United States and Canada. This raises questions for fiduciaries about alignment of executive compensation with sustainable performance, governance quality and economic resilience.

Why Executive Compensation Matters for Long-Term Investors and Asset Owners

Recent data illustrate the scale of the disparity. In the United States, CEO-to-worker pay ratios at large companies are nearly 300:1¹. In Canada, the gap is also significant, with CEOs at large companies earning roughly 250 times more than the typical worker.² And massive pay inequities abound in many other regions, underscoring the systemic nature of the issue.

Despite increased public scrutiny surrounding this issue, many concerning practices continue to flourish, including insiders sitting on compensation committees, the engagement of management-friendly compensation consultants, questionable peer benchmarking and lack of metric integrity for bonuses, among other concerns.^{3,4}

Excessive executive compensation trends are not solely a firm-level governance issue. Evidence suggests these trends are linked to salient portfolio-level risks for diversified investors. Research suggests that inequality contributes to the likelihood of financial crisis, depresses economic growth and other systemic market risks.^{5,6}

Despite these concerns, “Say-on-Pay” support at Russell 3000 companies has averaged above 90% in recent years⁷, a figure often cited to justify maintaining the status quo. However, we must consider our own industry's culpability in these voting patterns.⁸ By continuing to vote for these compensation packages, despite a lack of clear evidence linking escalating executive pay packages

¹ [CEO pay increased in 2024 and is now 281 times that of the typical worker: New EPI landing page has all the details | Economic Policy Institute](#)

² [Living the high life: A record-breaking year for CEO pay in Canada - CCPA](#)

³ [Decoding CEO pay | Brookings](#)

⁴ [Compensation Consultants and CEO Pay Peer Groups](#)

⁵ Oxfam and Rights CoLab, *The Investor Case for Fighting Inequality: How Inequality Harms Investors and What Investors Should Do About It*, September 6, 2024.

⁶ Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, “[IMF Staff Discussion Note: Redistribution, Inequality, and Growth](#),” International Monetary Fund, February 2014.

⁷ Semler Brossy Consulting Group, “2025 Say on Pay Reports,” *Semler Brossy Insights*, January 15, 2026, <https://semlerbrossy.com/insights/2025-say-on-pay-reports/>

⁸ Majority Action, “[Intra-Firm Inequality & Say-on-Pay Votes](#),” 2026

to shareholder value^{9,10}, investors and asset managers risk fueling the very systemic inequalities that destabilize market returns for diversified portfolios.

As long-term investors, we believe strengthening oversight, transparency and alignment in executive pay is consistent with our fiduciary responsibilities and with the health of the economies and markets in which we invest.

For these reasons, we have developed the following calls to action.

Investor Calls to Action

As long-term investors, we commit to advancing responsible executive compensation practices and invite peers to join us in the following actions:

1. Regularly review our firm's proxy voting records and guidelines on executive compensation and consider adjustments that are necessary to better align our fiduciary duties

This may include:

- Engaging with proxy advisors and stewardship service providers, where used, to better understand how compensation and inequality considerations are incorporated into their methodologies.
- Reviewing proxy voting records and stewardship activities related to these issues as part of the selection and monitoring processes when external managers are employed.

2. Prioritize engagement on excessive executive compensation in corporate engagement activities

This may include:

- Encouraging executive compensation approaches that support long-term value creation and reduce excess, which is a form of managerial rent.
- Encouraging companies to integrate vertical pay considerations, such as CEO-to-worker pay ratios and internal equity benchmarks, into their executive compensation frameworks to ensure alignment with the broader workforce.
- Promoting transparency around how compensation decisions are made and evaluated.
- Engaging with companies to support improved practices.
- Encouraging Boards of Directors to assess how the company's overall workforce compensation philosophy and structure address the systemic risks associated with income inequality.

⁹ [The 100 Most Overpaid CEOs — As You Sow](#)

¹⁰ [Are CEOs Paid for Performance? | MSCI](#)

3. Integrate systemic risks from income inequality into governance and stewardship frameworks

This may include:

- Reviewing and, where appropriate, updating Investment Policy Statements (IPS), stewardship policies and other policies, to consider how compensation-related metrics, such as CEO-to-median-worker pay ratios and internal equity benchmarks, can inform our assessment of pay practices and disparities between executives and the broader workforce.

4. Advance dialogue and collaboration across the investment ecosystem

This may include:

- Participating in constructive dialogue with companies, researchers, industry standard setters, compensation consultants, policymakers, asset managers, proxy advisors and other stakeholders to improve understanding and advance responsible compensation practices.
- Incorporating compensation considerations into governance reviews and risk assessments, where relevant.

5. Support efforts to broaden worker participation in corporate success

We will not be satisfied by simply working to reduce excessive executive compensation. The broader workforce deserves meaningful recognition for its essential role in driving corporate growth. Consequently, we believe that all employees should participate equitably in the benefits of that success. To support economic resilience and address the systemic risks associated with inequality, we will seek to support compensation practices that enable broader workforce participation in corporate growth and long-term value creation. This may include:

- Supporting compensation structures (such as living wage alignment) that promote workforce stability and economic participation.
- Encouraging broad-based wealth-building mechanisms (such as employee ownership opportunities, share purchase plans and profit-sharing models) that align employee success with company performance.
- Promoting public policy that supports broad worker participation in corporate success.

Closing

We invite investors, asset owners, asset managers and other market participants to join us in advancing these actions to strengthen executive compensation stewardship and support long-term market resilience.

On behalf of:

Adasina Social Capital
AJL Foundation

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
As You Sow
Augustine Asset Management
Azzad Asset Management
Chevedden Corporate Governance
Chicory Wealth
Church of Sweden
Clean Yield Asset Management
Committee on Mission Responsibility Through Investment of the Presbyterian Church, (U.S.A.)
Corporate Responsibility Committee, School Sisters of Notre Dame Central Pacific Province
Dana Investment Advisors, LLC
Ecofi
Everence
Figure 8 Investment Strategies
First Affirmative
Franciscan Sisters of Allegany, NY
Friends Fiduciary Corporation
Harrington Investments, Inc.
Maryknoll Sisters
Mercy Investment Services
Miller/Howard Investments, Inc.
Mirova
Missionary Oblates of Mary Immaculate
Natural Investments PBLLC
NEI Investments
Nia Impact Capital
NorthStar Asset Management
Northwest Coalition for Responsible Investment
Oxfam America
Pension Fund of the Christian Church
Province of St. Joseph of the Capuchin Order
Region VI Coalition for Responsible Investment
RIFF Foundation
School Sisters of Notre Dame Collective Investment Fund
Sisters of Mary Reparatrix
Sisters of St. Francis of Philadelphia
Sisters of the Humility of Mary
Socially Responsible Investment Coalition
Stance Capital LLC
Sustainable Advisors Alliance, LLC
Trillium Asset Management
United Church Funds
Vancity Investment Management
Zevin Asset Management