



The 100 Most Overpaid CEOs

Report authors

Rosanna Landis Weaver

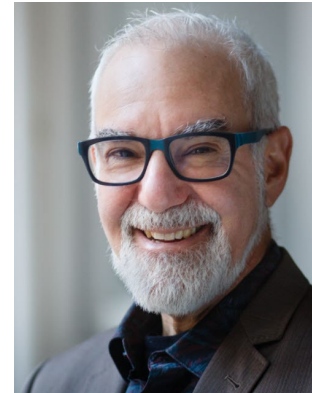
Melissa Walton

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Andrew Behar

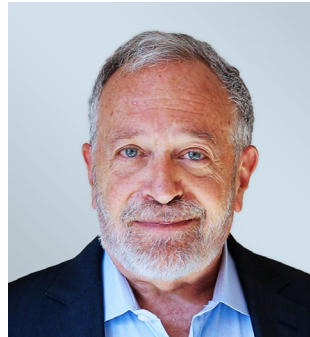


CEO
As You Sow

Featured Speakers



**Rosanna Landis
Weaver**
Report Author and
Director of Wage
Justice & Executive
Pay at *As You Sow*



Robert Reich
Professor; Author;
Former U.S.
Secretary of Labor;
Co-founder,
Inequality Media



R. Paul Herman
CEO, HIP Investor
Ratings + Portfolios;
Impact Investing
Book Author

About *As You Sow*

Mission: *to promote environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies*

- Founded in 1992 on the belief that corporations *must* be an active part of the solutions to society's environmental and human rights issues
- 30-year track record of promoting values-aligned investing and securing positive, lasting corporation change
- We communicate directly with corporate executives to collaboratively develop and implement business models that reduce risk, benefit brand reputation, and protect long-term shareholder value while simultaneously bringing about positive change for the environment and human rights

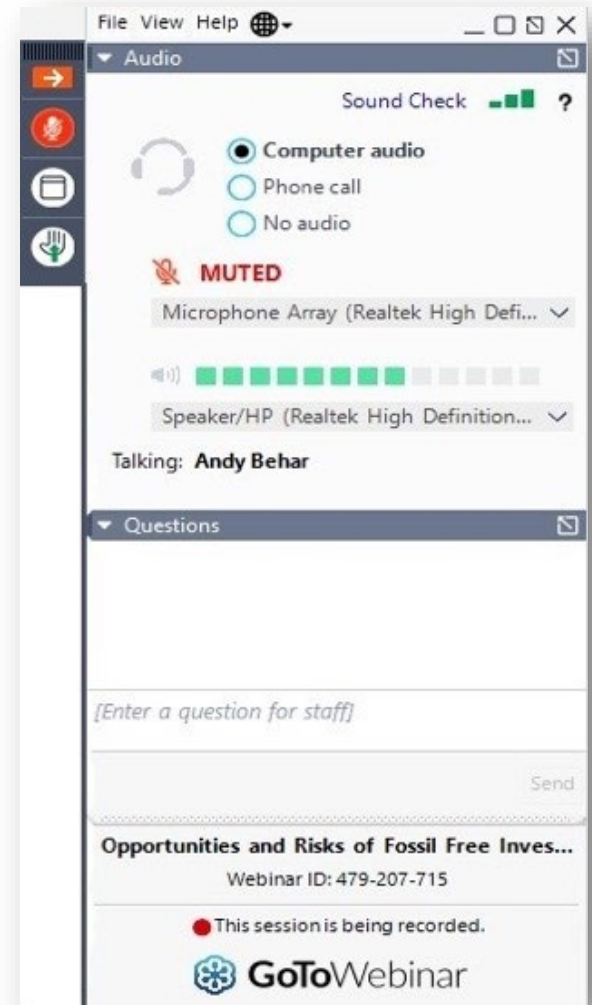
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Use the Q&A window to send us your questions

Q&A Window



Robert Reich



**Professor; Former U.S.
Secretary of Labor;
Co-founder, Inequality Media;
Author, *The System: Who
Rigged It, How We Fix It***

Rosanna Landis Weaver



**Report Author and Director of
Wage Justice & Executive Pay
at *As You Sow***

Key Takeaways

2022 showed substantial increases in opposition to CEO pay packages.

CEO pay was up, sharply.

CEO overpay is followed by stock underperformance.

THE TOP 15 MOST OVERPAID CEOs

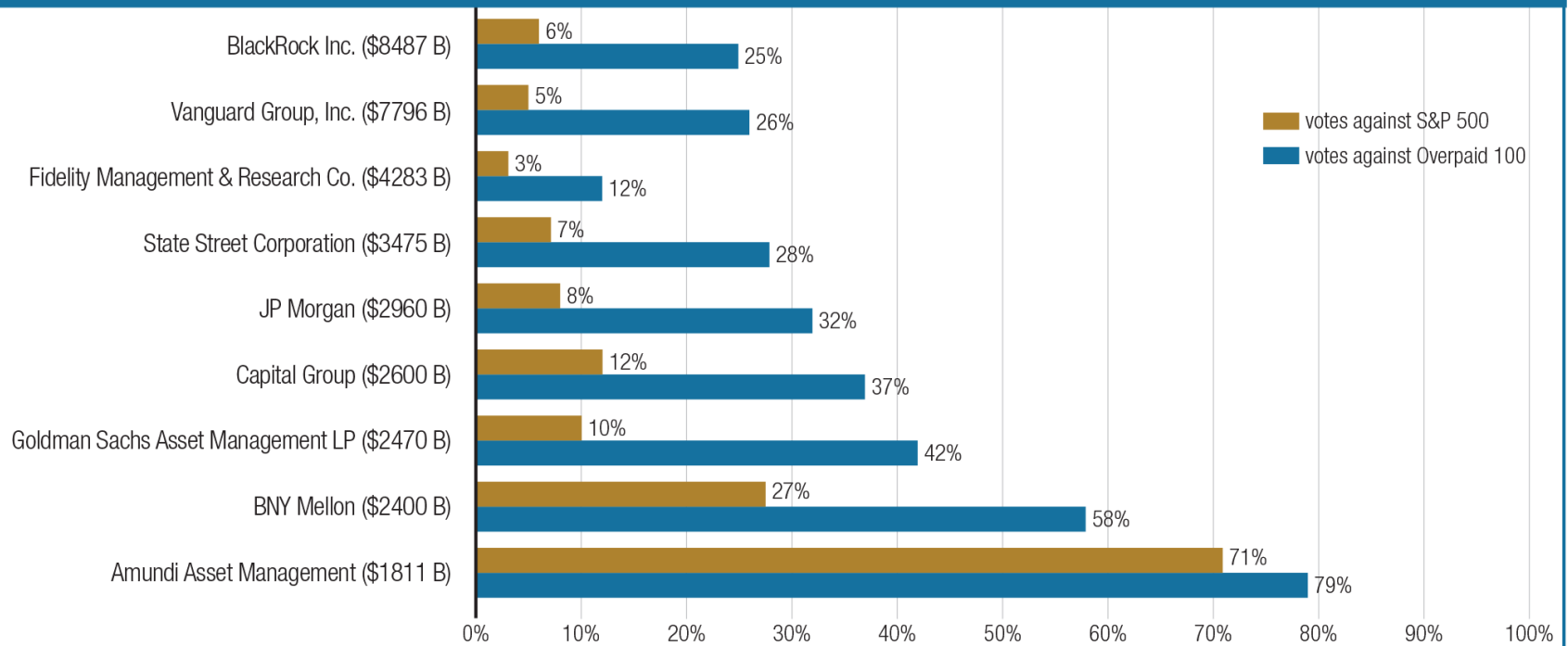
RANK	NAME	CEO	CEO PAY	EXCESS PAY	REPORTED SHARES VOTED AGAINST	INSTITUTIONAL SHARES VOTED AGAINST	CEO:WORKER PAY RATIO	MEDIAN WORKER PAY
1	Warner Bros. Discovery, Inc.	David M. Zaslav	\$246,573,481	\$232,711,591	39%	78%	2,972:1	\$82,964
2	Estee Lauder Companies Inc.	Fabrizio Freda	\$65,996,984	\$50,680,560	9%	70%	1,965:1	\$33,586
3	Penn National Gaming, Inc.	Jay A. Snowden	\$65,887,214	\$51,015,162	58%	58%	1,942:1	\$33,930
4	Intel Corporation	Patrick Gelsinger	\$178,590,400	\$164,139,649	66%	43%	1,711:1	\$104,400
5	Booking Holdings Inc.	Glenn D. Fogel	\$53,982,195	\$39,703,318	68%	62%	931:1	\$58,005
6	ServiceNow, Inc.	William R. McDermott	\$165,802,037	\$149,659,047	65%	57%	709:1	\$233,859
7	Las Vegas Sands Corp.	Robert G. Goldstein	\$31,204,900	\$17,417,511	34%	97%	866:1	\$35,879
8	JPMorgan Chase & Co.	James Dimon	\$84,428,145	\$69,838,805	69%	52%	917:1	\$92,112
9	Amazon.com, Inc.	Andrew R. Jassy	\$212,701,169	\$197,275,894	44%	31%	6,474:1	\$32,855
10	Apple Inc.	Timothy D. Cook	\$98,734,394	\$82,878,041	36%	38%	1,447:1	\$68,254
11	FleetCor Technologies, Inc.	Ronald F. Clarke	\$57,923,473	\$43,417,531	64%	43%	1,404:1	\$41,265
12	CenterPoint Energy, Inc.	David J. Lesar	\$37,809,810	\$23,526,039	78%	79%	366:1	\$103,170
13	Coca-Cola Company	James Quincey	\$24,883,878	\$10,332,070	49%	58%	1,791:1	\$13,894
14	Walgreens Boots Alliance Inc	Rosalind G. Brewer	\$28,333,498	\$14,742,930	38%	42%	1,084:1	\$26,255
15	TJX Companies Inc.	Ernie L. Herrman	\$31,802,000	\$17,299,165	50%	29%	2,249:1	\$14,139

This report has a strong focus on financial manager voting, which is disclosed on an annual basis. The pay packages evaluated were those voted on in the year prior to June 30, 2022. Thus, some CEOs presented here and in Appendix A no longer hold those positions, and others have held an annual meeting and pay vote since the one covered in this report.

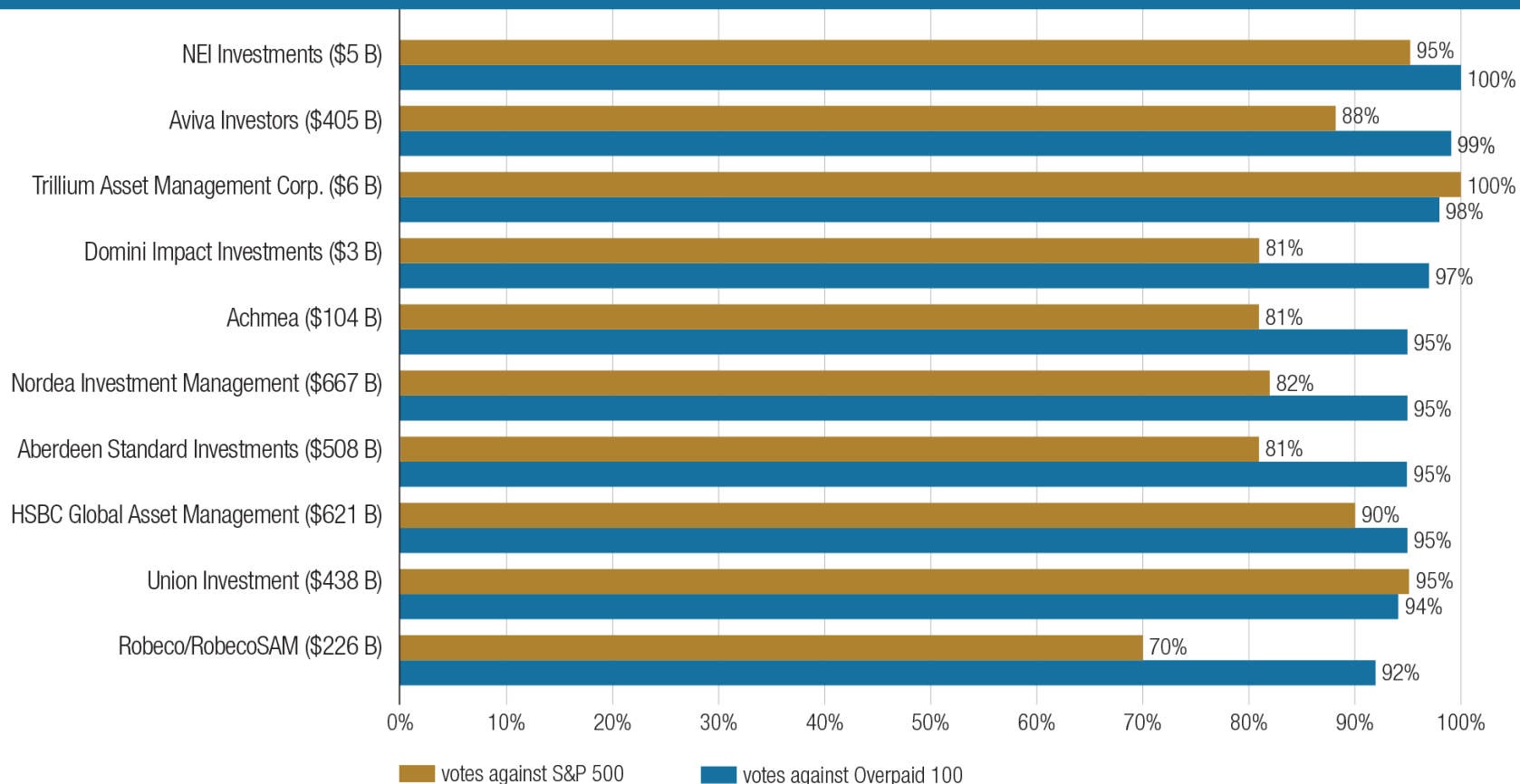
S&P 500 COMPANIES WITH MOST SHAREHOLDER VOTES AGAINST CEO PAY

RANK	COMPANY	CEO	VOTE AGAINST (INSTITUTIONAL)	VOTE AGAINST (STANDARD)
1	TransDigm Group Incorporated	Kevin Stein	100%	48%
2	Universal Health Services, Inc.	Marc D. Miller	100%	10%
3	Paramount Global	Robert M. Bakish	97%	5%
4	Las Vegas Sands Corp.	Robert G. Goldstein	97%	34%
5	McCormick & Company, Incorporated	Lawrence E. Kurzius	96%	4%
6	D.R. Horton, Inc.	David V. Auld	90%	73%
7	Oracle Corporation	Safra A. Catz	82%	40%
8	Viatis Inc	Michael Goettler	79%	80%
9	CenterPoint Energy, Inc.	David J. Lesar	79%	78%
10	Warner Bros. Discovery, Inc.	David M. Zaslav	78%	39%
11	T-Mobile US, Inc.	G. Michael Sievert	77%	18%
12	Netflix, Inc.	Reed Hastings & Ted Sarandos	77%	73%
13	Alphabet Inc.	Sundar Pichai	76%	25%
14	CME Group Inc.	Terrence A. Duffy	72%	77%
15	Estee Lauder Companies Inc.	Fabrizio Freda	70%	9%

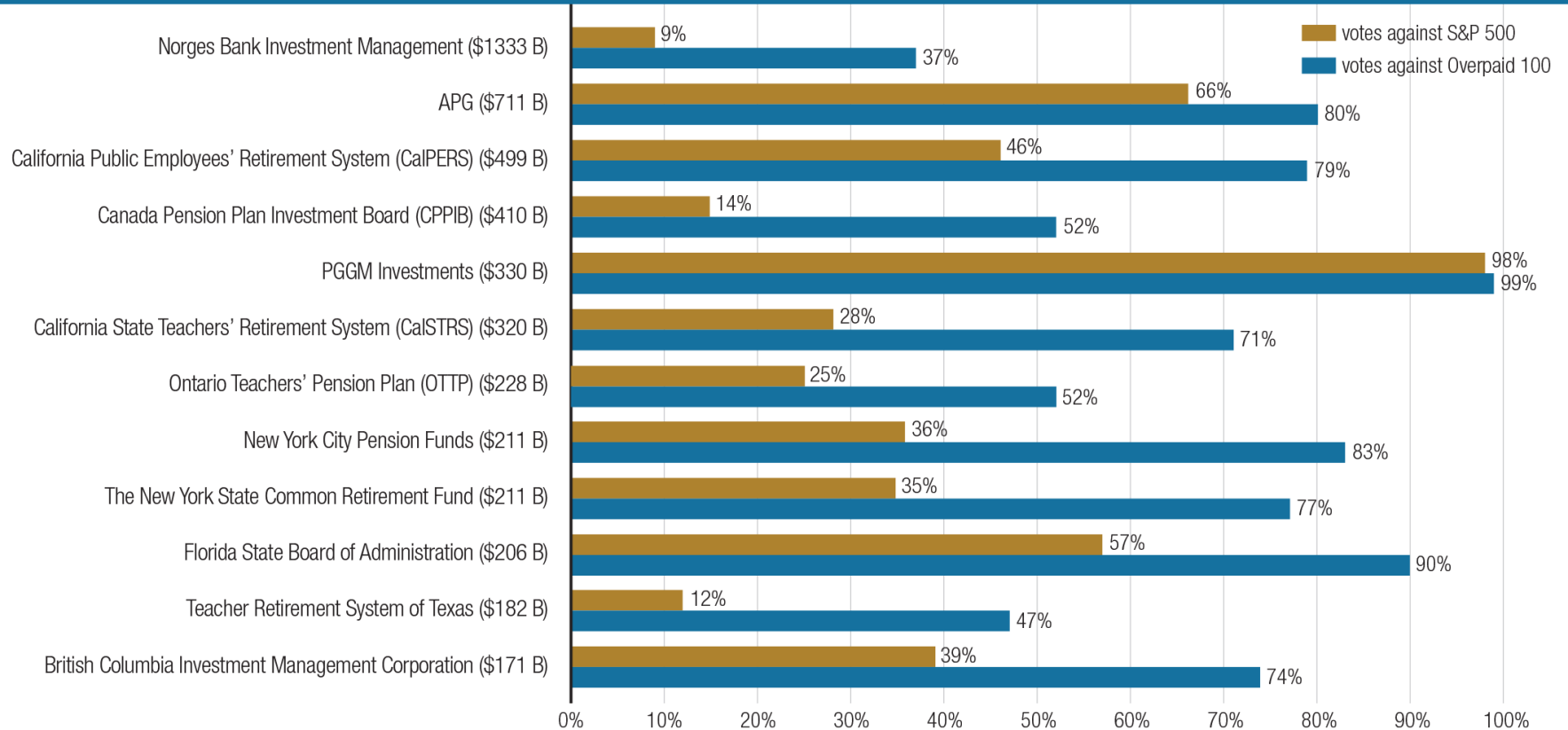
OPPOSITION TO CEO PAY PACKAGES AT LARGE FUND MANAGERS RANKED BY ASSETS UNDER MANAGEMENT



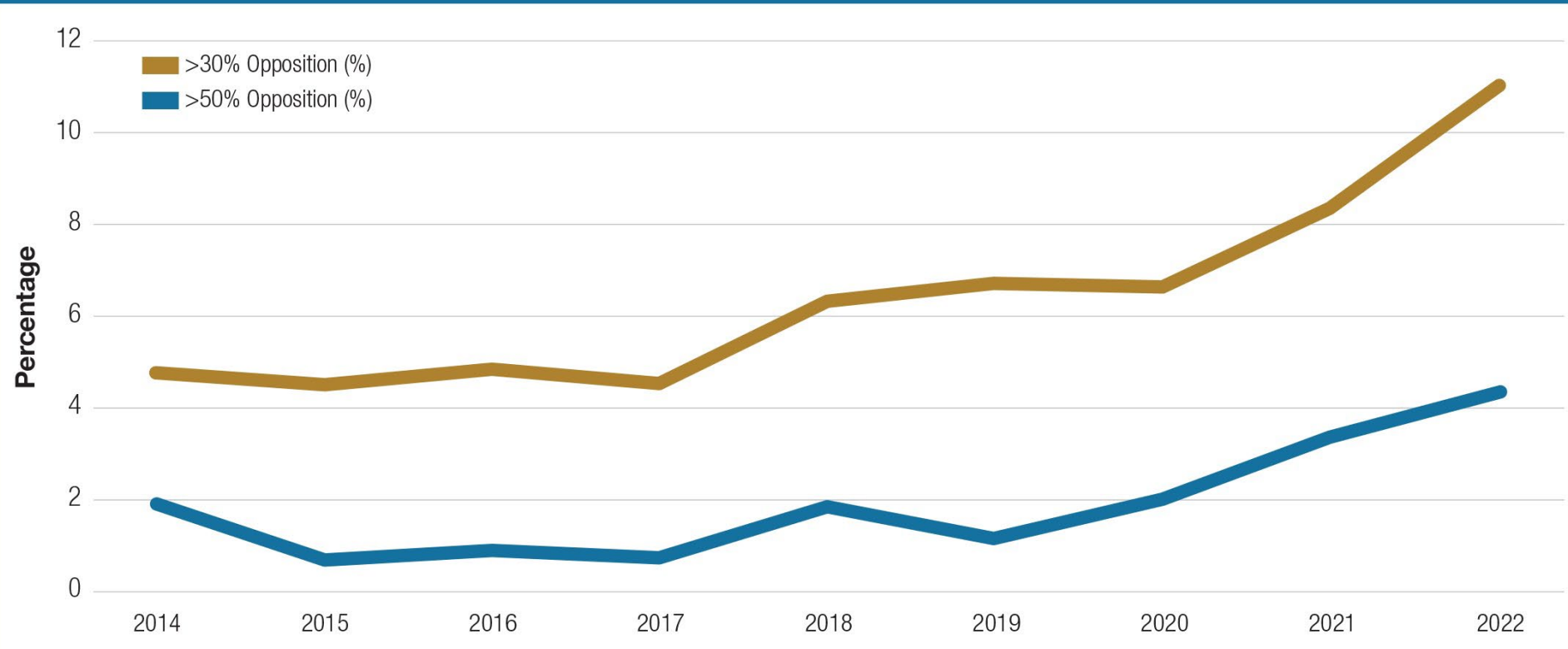
FUND MANAGERS LIKELY TO OPPOSE CEO PAY



OPPOSITION TO CEO PAY PACKAGES AT LARGE PENSION FUNDS RANKED BY AUM



INCREASING NUMBERS OF HIGH OPPOSITION VOTES



Shareholder Votes Spur Changes in CEO Pay

Chipotle
48.6 % against

CEO pay reduced by 53% the following year from \$38 million to \$17.8 million

Hilton
43% against

CEO pay reduced 58% from \$55 million to \$23 million

Aptiv
42% against

CEO pay reduced from \$31 million to \$14 million.

R. Paul Herman



**CEO and CIO, HIP Investor
Ratings + Portfolios;**

**Co-editor, co-author:
*Global Handbook
of Impact Investing***

Data-Driven, Outcome-Focused: HIP's Regression Analysis Covers 15 Years

Reliable sources:

- [ESGauge](#) for Total Disclosed Compensation for S&P500 executives
- [LSEG Refinitiv](#) for financial returns, and some Executive Pay data

Relationships tested:

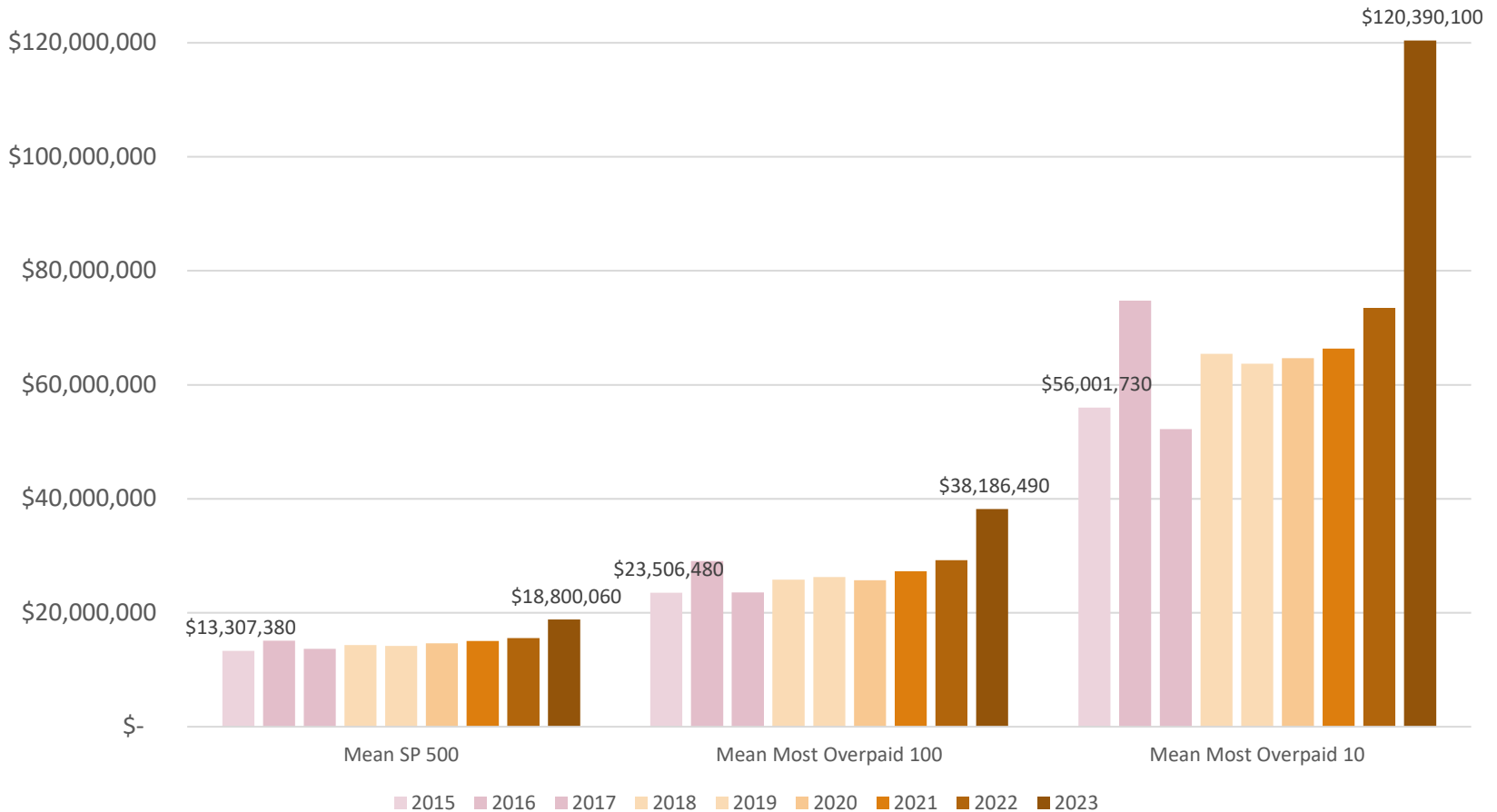
- 1, 3, 5 year performance covering 15 years
- Total Shareholder Return (TSR), and Return on Invested Capital (ROIC)
- CEO's most-recent pay, including stock and option grants

Regressions outputs:

- Highest r-squared = less than **5%** for **5-year TSR of CEO-most-recent-pay**
- Typical correlation = all **less than 10%** for regressions by metric & duration

The Most Overpaid CEOs Grew Their Pay In Most Years The Past Decade

Growth of Average CEO Pay of S&P 500 vs Overpaid 100 vs Overpaid 10



**+4% annualized,
+21% last year**

**+6% annualized,
+31% last year**

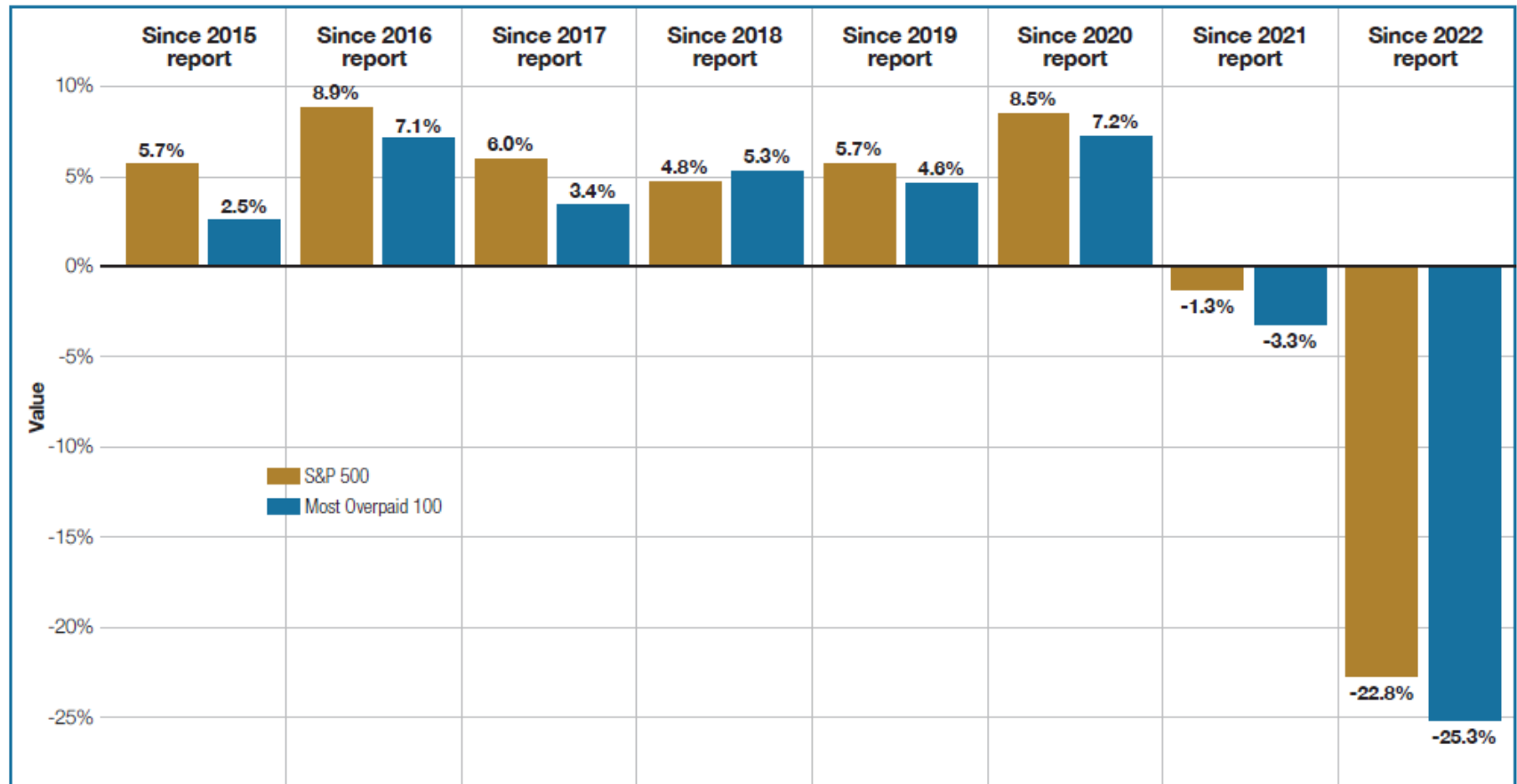
**+10% annualized,
+64% last year**



100 Most Overpaid CEOs Underperform the S&P500 by -2% on Average

FIGURE 1: SIGNIFICANT PERFORMANCE GAP BETWEEN THE S&P 500 AND THE 100 MOST OVERPAID

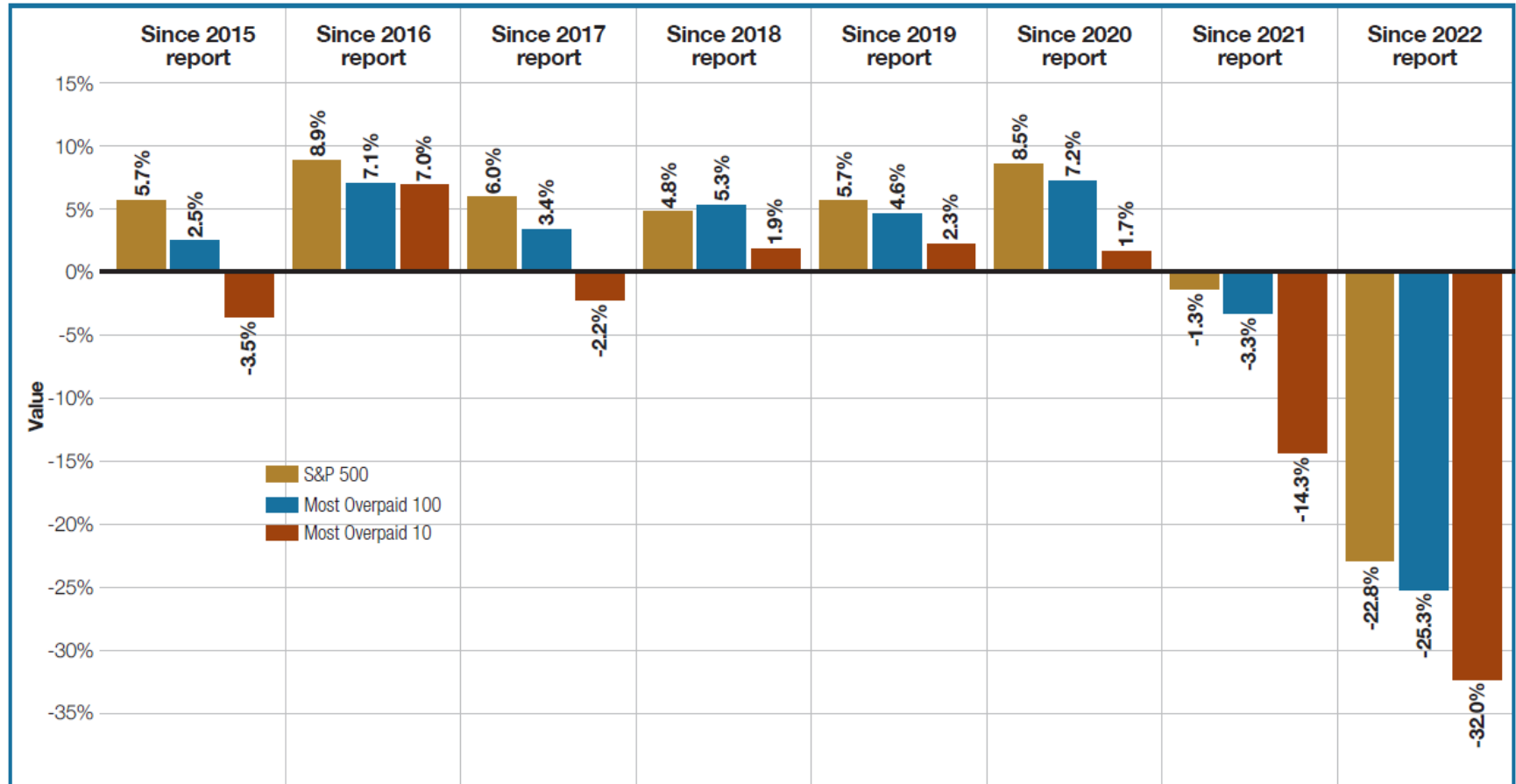
TSR since the publishing of each CEO Pay report from 2015-2022



And 10 Most Overpaid CEOs Underperform the S&P500 by -6% on Average

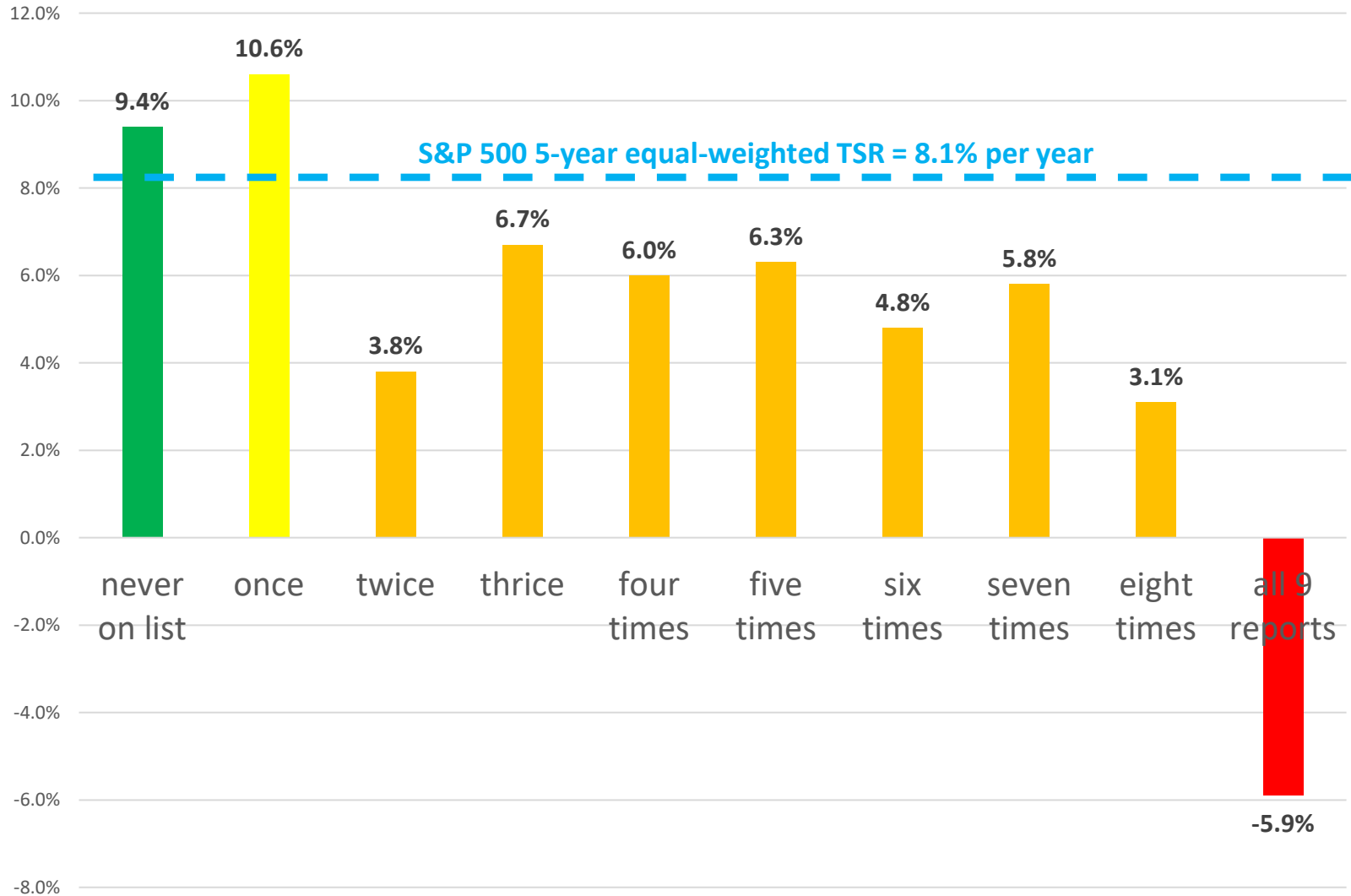
FIGURE 2: SIGNIFICANT PERFORMANCE GAP BETWEEN THE S&P 500, THE 100 AND 10 MOST OVERPAID

TSR since publishing of each CEO Pay report from 2015-2022



Recurring Overpaid CEOs Lag Financially

Annualized 5-year Total Shareholder Return (TSR) as of 9/30/2022



CEO Pay Needs Better Accountability tied to Meaningful Success Metrics, including Worker Pay

Overpaid CEOs Underperform on Total Shareholder Return

- Long-term compensation should be put in **5- to 10-year Escrow accounts**

CEO Pay frequently linked to “old” financial metrics, like EPS

- **Yet still used by 30% of S&P500 as a CEO performance metric**
- Shares outstanding are frequently repurchased rather than invested in **R&D or worker pay**

“CEO Pay to Average Worker Pay” is a better indicator of future risk

- HIP Investor’s analysis of 11,000 companies globally over 15 years finds that
CEOs paid 400x to 2000x the average worker frequently results in lower shareholder returns
- The CEO refrain of “People are the most important asset” is not accurate for many
- People are treated as **short-term expenses, not long-term appreciating assets or “human capital”**

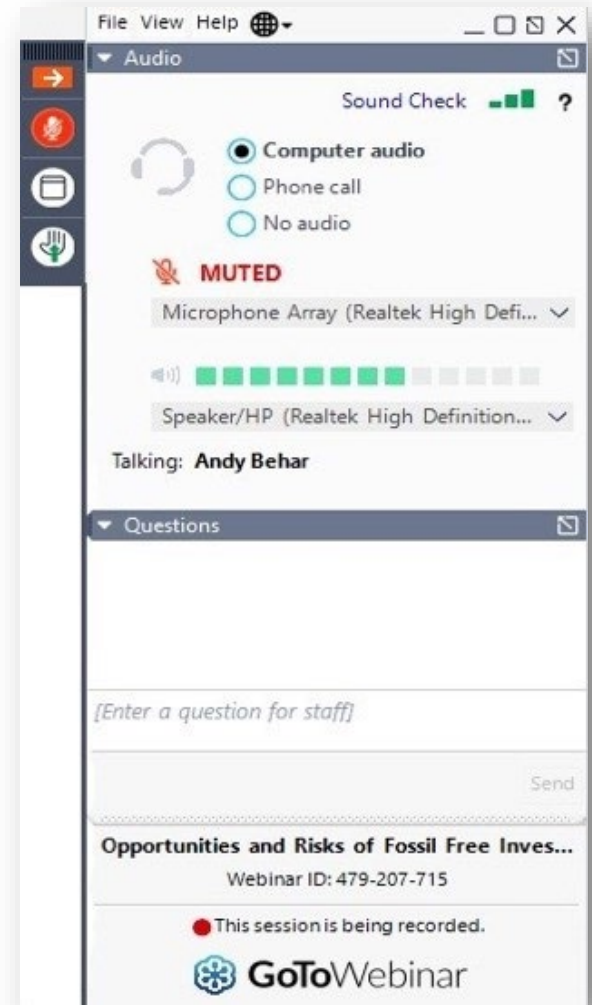
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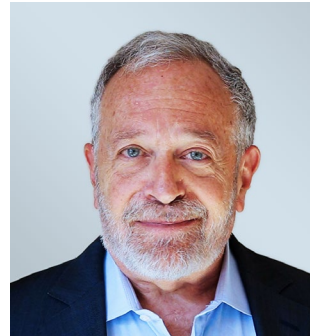
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Q&A



**Rosanna Landis
Weaver**
Report Author and
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Robert Reich
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Secretary of Labor;
Co-founder,
Inequality Media



R. Paul Herman
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Portfolios,
Book Author

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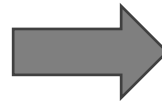


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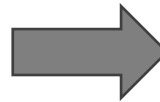
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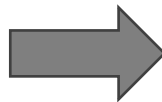
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