UK CEO Pay report 2021: High Pay Centre and TUC

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Summary of key findings

- The median FTSE 100 CEO took home £3.41 million in 2021. This is the highest level of median CEO pay since 2018, and is an increase of 39% on the median FTSE 100 CEO pay in 2020, which stood at £2.46 million.
- The median FTSE 100 CEO pay of £3.41 million is 109 times the median earnings of a UK full-time worker in 2021 (£31,285) [1]. This represents an increase from 79:1 last year and has widened beyond the gap of 107:1 in 2019.
- Mean FTSE 100 CEO pay was likewise higher than the previous year, at £4.26 million, up from £3.4 million in 2020.
- The highest paid FTSE 100 CEO received a total of £16.85 million, at Endeavour. This is 539 times the pay of the median UK full-time worker.
- 90% of FTSE 100 companies paid their CEO a bonus in 2021, compared to just 64% in 2020 and 89% in 2019. The mean bonus payment increased from £828k in 2020 to £1,431k in 2021.
- 77% of FTSE 100 companies paid their CEO a payment as part of a Long Term Incentive Plan (LTIP), the same as in 2020. The mean LTIP payment increased from £1,379k in 2020 to £1,610k in 2021.
- The median total spend on executive pay (including the CEOs and other executives) for FTSE 100 companies was £6.3 million.
- There were 9 female FTSE 100 CEOs in 2021, up from 7 in 2020.
- Excluding Harbour and Entain's female CEOs, who were appointed midway through the financial year, the median pay of the remaining 7 female CEOs, who were in role for the duration of the 2021 financial year, was £3.01 million. This is below the median pay of male FTSE 100 CEOs at £3.49 million.
- The median FTSE 250 CEO was paid £1.72 million in 2021, a 38% increase on the 2020 figure of £1.25 million.
- The median FTSE 250 CEO is paid 55 times the median UK worker. This is a significant increase from 40:1 in 2020.

Introduction

This report analyses the pay of FTSE 100 and FTSE 250 CEOs in 2021, as documented in the companies' own retrospective annual reports for the year.

The FTSE 350 remains an imperfect proxy for top pay across the UK in general. Many of the companies in the index are international operations with limited presence in this country beyond a listing on the London Stock Exchange.

Conversely, there are many major UK employers that are not included in the index, because they are either privately owned or listed by parent companies in other countries. In some respects, the listed companies attract the most analysis (and criticism) because they are subject to the most demanding disclosure requirements and thus data on their pay practices are obtainable. It remains the High Pay Centre and TUC view that all large employers should be required to provide more information about the pay of their senior managers and that of their wider workforce, as well as their working practices more generally.

Despite these limitations, the index contains many of the UK's biggest private sector employers across a wide range of sectors, whose pay and employment practices as market leaders have a substantial impact on incomes and living standards throughout the country. The fact that pay levels for FTSE 100 CEOs raced away from the average UK worker between the 1980s and the 2000s, mirroring the widening gap between the super-rich and everybody else over the same period, demonstrates how CEO pay is a useful exemplar of wider societal inequality.

Since last year's report the economic landscape in the UK and globally has shifted significantly. Lockdowns due to Covid-19 have been fewer and shorter in most countries, thanks to vaccination efforts, enabling most sectors of the economy to recover or resume normal service. However, China's continued 'Zero-Covid' strategy, war in Ukraine, goods shortages, global supply chain issues and rising energy prices have led to inflation and a global cost of living crisis.

These events have shifted the narrative in the UK away from a focus on "building back better" out of COVID 19 and creating a high wage economy. Despite real pay falls, some have argued that pay increases for low and middle earners would exacerbate inflation, while unions have pressed the point that pay increases are even more of a necessity than ever after a sustained period of stagnant wage growth.

If we want to know who is being affected, and how, by the current crises, it is vital to understand how pay is distributed in the UK, including among the highest earners. This helps us to ascertain the role that a more even balance of pay distribution could play in raising living standards.

FTSE 100 CEO pay trends in 2021

The median FTSE 100 CEO took home £3.41 million in 2021. This is the highest level of median pay since 2018, and represents an increase of 39% on median FTSE 100 CEO pay of £2.46 million in 2020 [2]. This sharp increase in pay in 2021 is likely due to economic activity returning to near-normal levels across most sectors following the economic shutdowns caused by Covid in 2020, meaning that incentive pay awards tied to profitability or share prices rebounded strongly.

Median CEO pay is also 5% higher than in 2019, while the ratio of the pay of the median FTSE 100 CEO to the median UK full-time worker has also risen to 109:1 in 2021 from 107:1 in 2019.

Mean CEO pay was likewise higher than the previous year, at £4.26 million, up 28% from £3.4 million in 2020.

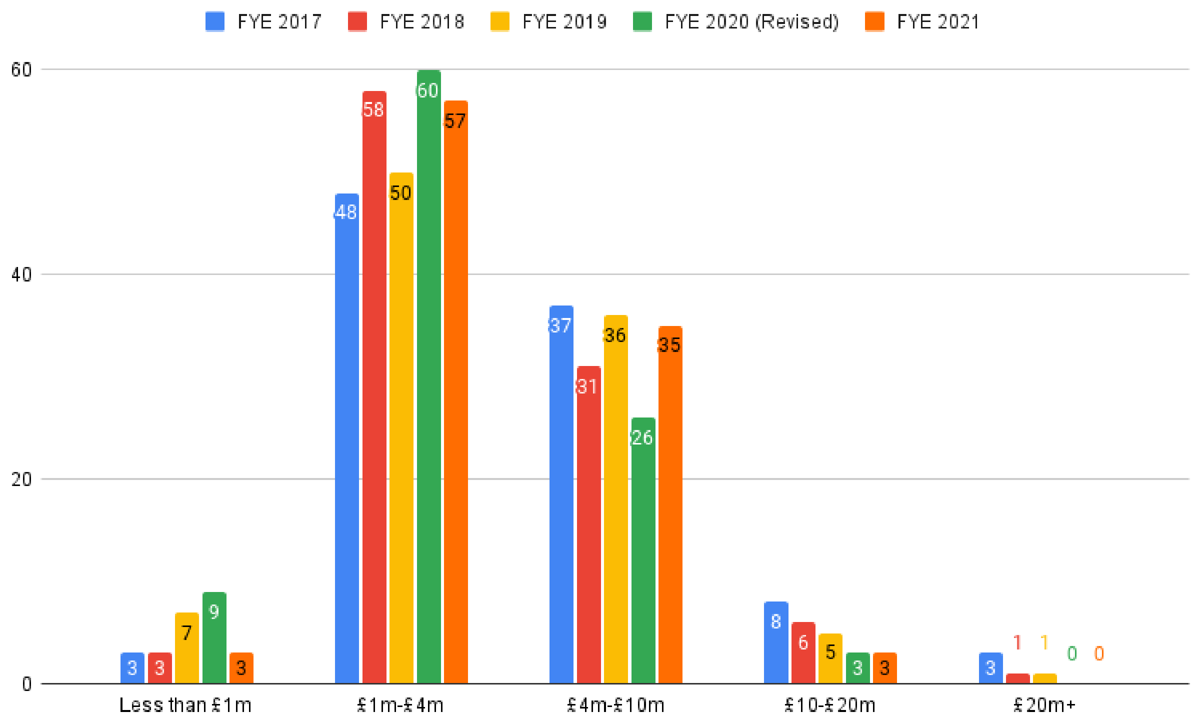
The highest paid FTSE 100 CEO received a total of £16.85 million, at Endeavour. This is 539 times the pay of the median UK full-time worker.

Table 1: FTSE 100 companies with the highest CEO pay in 2021

Company	CEO	Pay (£m)
Endeavour	Sébastien de Montessus	16.85
AstraZeneca	Pascal Soriot	13.86
CRH	Albert Manifold	11.68
Anglo American	Mark Cutifani	9.83
RELX	Erik Engstrom	9.63
Lloyds Banking	Sir Antonio Horta Osorio Charlie Nunn William Chalmers	8.86[3]
Schroders	Peter Harrison	8.48
Flutter	Peter Jackson	8.40
GlaxoSmithKline	Emma Walmsley	8.20
Berkeley	Rob Perrins	7.97

As a result of the general increases in CEO pay this year, over a third of CEOs were paid over £4 million, while only 3 were paid less than £1 million. However, there are also only 3 CEOs paid over £10m, fewer than in any year from 2017-19.

Figure 1. Distribution of FTSE 100 CEO single figure pay (no. of CEOs)



Reflecting the increase in median CEO pay, 3 times as many FTSE 100 companies increased their CEO pay in 2021 than those who decreased it. There were 72 companies that paid their CEO more than in 2020. The two largest increases were at RELX (an increase of £5.7 million) and Harbour (£5.6 million).

24 companies awarded their CEO a lower pay package than in 2020. Several companies awarded substantially lower pay in 2021 than they did in 2020: the greatest decreases were at Rio Tinto (a decrease of £5.9 million), Ocado (£4.2 million) and Tesco (£3.7 million).

Table 2: FTSE 100 Companies with the biggest CEO pay increases in 2021

Chief Executive	Company	2020 pay (revised) (£m)	2021 pay (£m)	2020-21 increase (£m)
Erik Engstrom	RELX	3.98	9.63	5.65
Linda Z. Cook / Richard Rose[4]	Harbour	0.81	6.41	5.60
Andy Bird	Pearson	1.19	5.17	3.98
Ivan Menezes	Diageo	2.27	5.90	3.63
Andrew Livingston	Howden	0.82	3.95	3.14

Figure 2 shows the trend in median CEO pay since 2009. The median for each year is taken from the June FTSE 100 cohort each year and uses data from each company's prior financial year [5].

Figure 2. Median single figure of FTSE 100 CEOs since 2009 (£m)

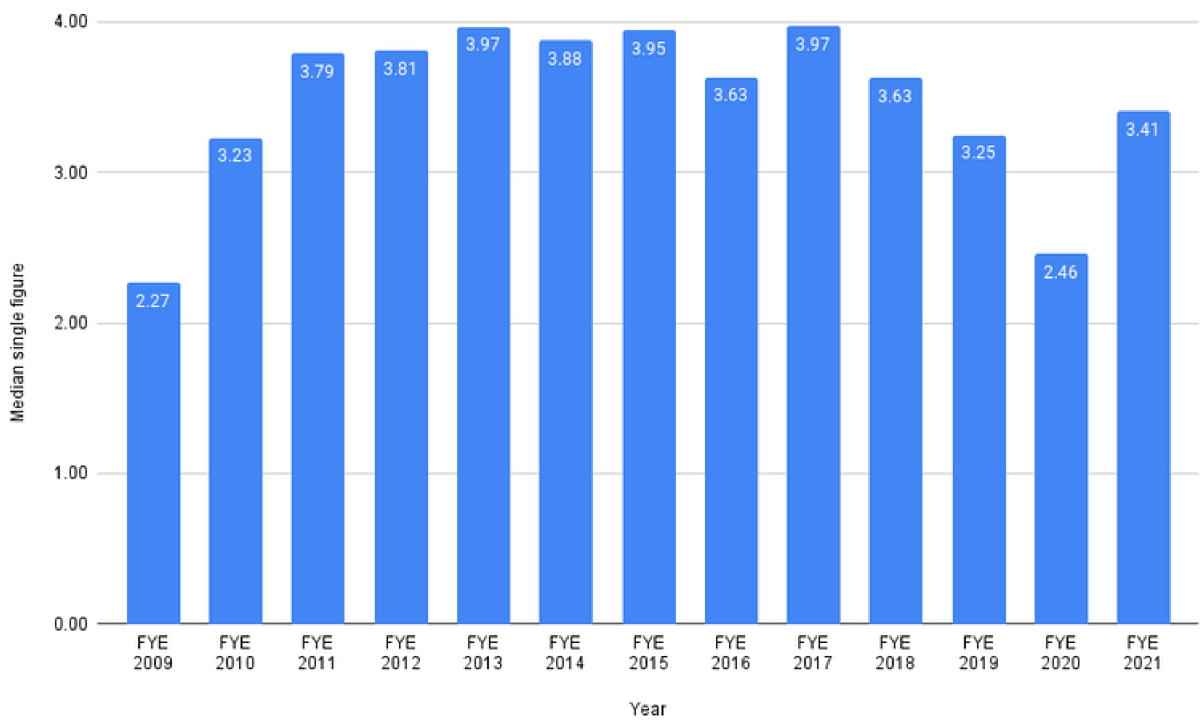


Figure 3. Mean single figure of FTSE 100 CEOs since 2009 (£000s)

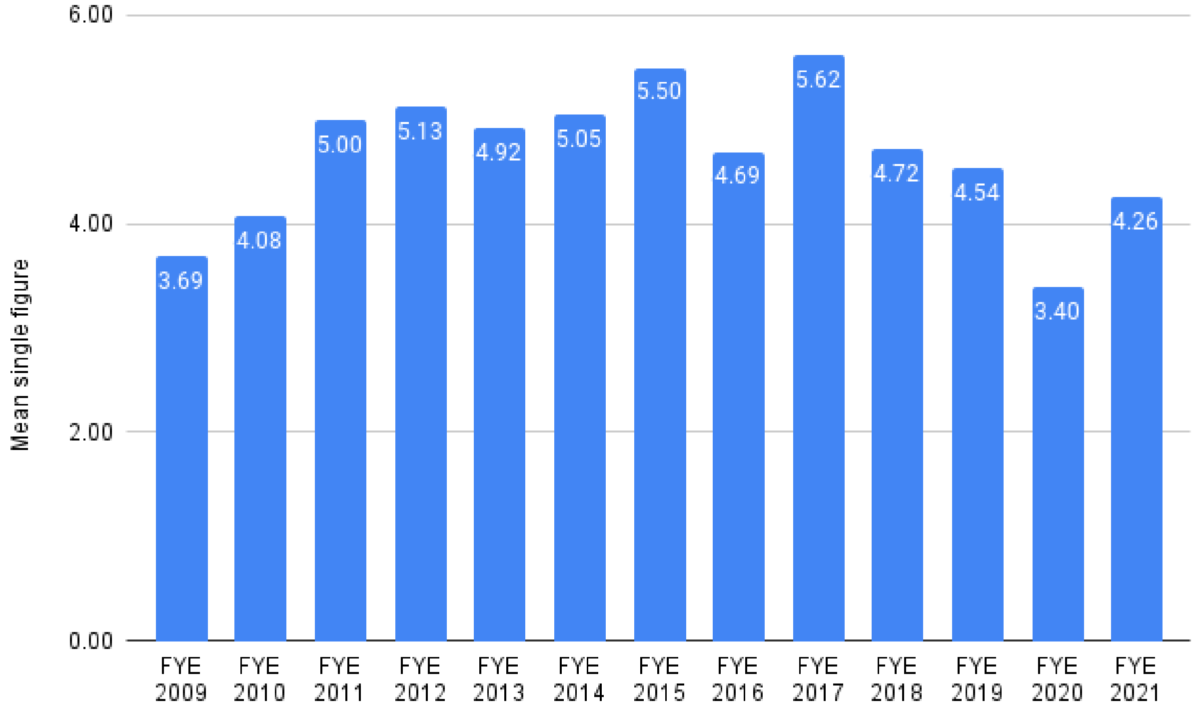


Table 3. Relation of average CEO pay to average UK full-time worker, financial years 2018-21 [6]

Measure	2018	2019	2020 (revised)		2021	
Companies	FTSE 100	FTSE 100	FTSE 100	FTSE 250	FTSE 100	FTSE 250
CEO median pay package	£3.63m	£3.25m	£2.46m	£1.25m	£3.41m	1.72m
CEO mean pay package	£4.72m	£4.54m	£3.4m	£1.56m	£4.26m	2.17m
Comparison of CEO pay with UK salaries						
Ratio of median CEO pay to median UK full-time worker	123:1	107:1	79:1	40:1	109:1	55:1
Ratio of mean CEO pay to mean UK full-time worker	131:1	121:1	88:1	40:1	112:1	57:1

What makes up CEO pay?

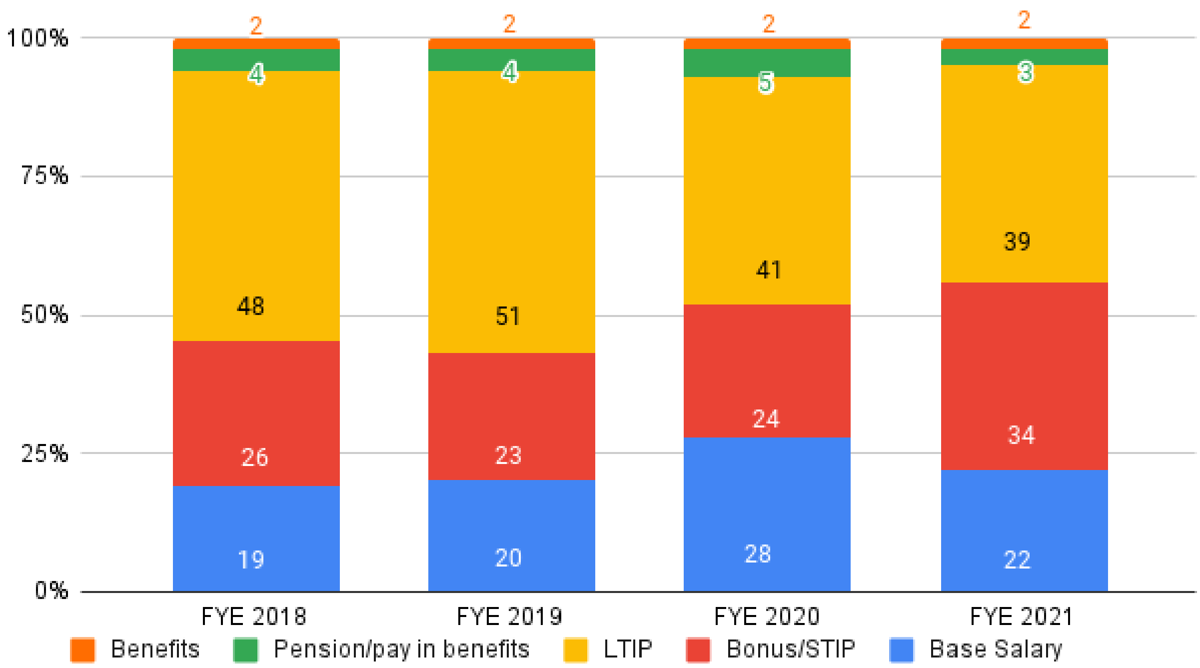
The CEO single figure of remuneration consists of a base salary, bonus or short-term incentive plan (STIP), long-term incentive plan (LTIP), pension or pay in lieu of pension and benefits. It excludes National Insurance contributions, which are reported on for the whole company.

The incentive based element of CEO pay (ie bonuses and LTIPs) typically form the majority of CEO pay packages, though in 2020 that proportion was lower than usual, at 65%, due to the economic shutdown resulting from the Covid-19 pandemic. The economic re-opening in 2021 has boosted this figure back up to 73%, almost the same as in 2019 when the equivalent figure was 74%.

90% of companies paid their CEO an annual bonus in 2021. This represented a significant increase from 2020, when 61 (64%) of companies paid a bonus, and slightly exceeds 2019 when 89% of companies paid a bonus. Total bonus payments came to £136.7 million, far higher than £79.5 million in 2020 but also substantially higher than £108.5 million in 2019.

77% of companies paid their CEO an LTIP, the same as in 2020, but less than 82% in 2019. However the total sum of all LTIPs paid was £159.4 million - exceeding 2020's figure of £132.3 million, yet still significantly down on 2019's figure of £238.2 million [7].

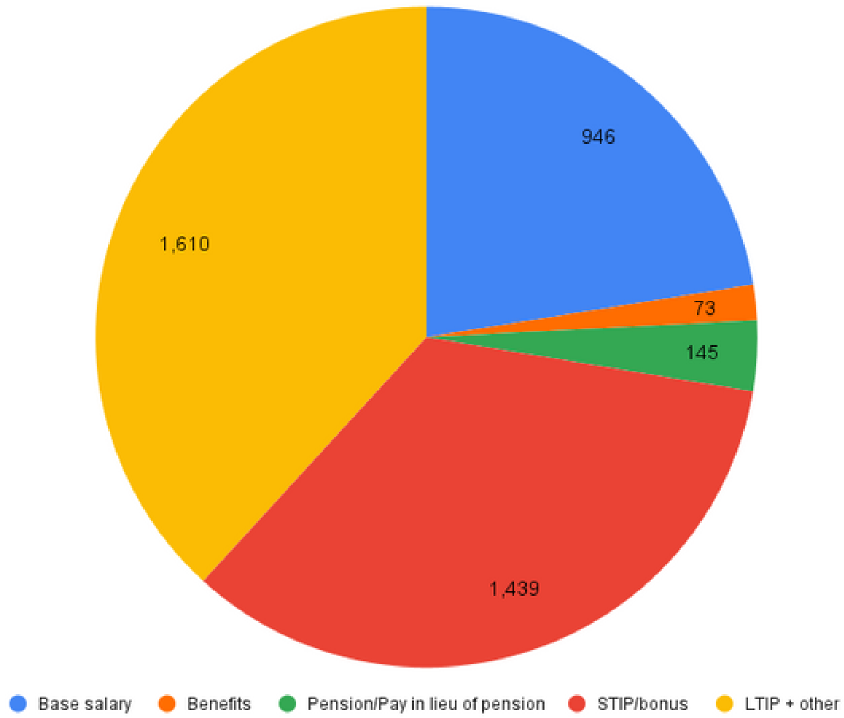
Figure 4. Mean year-on-year comparison of components of FTSE 100 single-figure pay (%) [8]



Mean bonus payments in 2021 were substantially higher than 2020 and 2019, while the mean LTIP payments in 2021 were higher than 2020, but still much lower than 2019. The mean bonus payment increased from £828k in 2020 to £1,439k in 2021. The equivalent figure was £1,096k in 2019. This means that short-term bonuses formed a larger proportion of total CEO pay than was the case in the years 2018-2020.

While the mean LTIP payment increased from £1,379k in 2020 to £1,610k in 2021 - still substantially less than £2,406k in 2019 - it is important to bear in mind that in the case of some 2020 CEO single figures, the variable element is an estimate, as it has not yet been paid in full.

Figure 5. Mean components in FTSE 100 single-figure pay for 2021 (£000)



Top pay beyond FTSE 100 CEOs

Analysis of FTSE 100 CEO pay only covers 98 different roles (the CEO of each FTSE 100 company, minus Investment trusts). For this year's report we also reviewed pay for FTSE 250 companies, as well as for executives at FTSE 100 firms beyond the CEO, in order to identify pay trends across a larger population of top earners. This also provides greater confidence that the insights provided in this report can be applied to very high earners more generally whose pay levels are likely to be affected by similar factors to FTSE 350 executives.

The median FTSE 250 CEO was paid £1.72 million in 2021. This represents an increase of 38% on the median FTSE 250 CEO pay of £1.25 million in 2020. This sharp increase in 2021 pay mirrors the FTSE 100 and is likely also due to the recovery in economic activity in 2021 following the disruption caused by the Covid-19 pandemic in 2020.

Mean CEO pay was likewise higher than the previous year, at £2.17 million, up 39% from £1.56 million in 2020.

The highest paid CEO in the FTSE 250 received a total of £17.06 million, at Safestore. This is 545 times the pay of the median UK full-time worker, and also exceeds the pay of the highest paid CEO in the FTSE 100.

Table 4: FTSE 250 companies with the highest CEO pay in 2021

Company	CEO	Pay (£m)
Safestore	Frederic Vecchioli	17.06
Carnival	Arnold W. Donald	11.31
Playtech	Mor Weizer	9.15
Future	Zilah Byng-Thorne	8.84
Clarkson	Andi Case	6.79
Liontrust Asset Management	John S. Ions	6.65
Man Group	Luke Ellis	6.30
Diploma	Johnny Thomson	5.24
Ninety One	Hendrik J. Du Toit	4.87
Energean	Mathios Rigas	4.47

The median expenditure by FTSE 100 companies on all executives was £6.3 million. This equates to total expenditure of £720.21m on 224 executives [9], with around £303 million, about 42% of the total accruing to non-CEO executives.

There was considerable crossover between the companies with the highest CEO pay and the highest total expenditure on pay for all executives. 8 companies are amongst the 10 highest spenders in both categories. However, while Endeavour has the highest paid CEO by nearly £3 million, there are 6 companies with higher total spend on executive pay. All of these companies have multiple executives, whereas the CEO is Endeavour's only listed executive.

Table 5: FTSE 100 companies with the highest expenditure on executive pay in 2021

Company	Pay (£m)
Berkeley	24.22
GlaxoSmithKline	22.78
Astrazeneca	22.54
Anglo American	21.87
Experian	18.11
CRH	17.17
Endeavour	16.85
RELX	14.51
Prudential	14.29
Flutter	13.20

Even these substantial amounts of money represent payments made for between one and three roles (other than at Berkeley where the figures cover pay for seven individual executives). This suggests that there would be considerable scope for companies to fund pay increases for lower-paid workers funded by reductions in pay for those at the top.

More detailed and more consistent requirements for disclosure of pay for high earners beyond the executives could enable a more informed discussion of the potential to re-balance pay and the implications for income levels and business performance.

Pay ratios

Pay ratio reporting requirements

The Companies (Miscellaneous Reporting) Regulations, introduced by Theresa May's Conservative government, require all UK-listed companies with over 250 UK employees to publish ‘pay ratios’, showing the relationship of their CEO’s pay to other employees in the company.

The regulations stipulate that companies must publish the ratio of CEO pay to pay at the 75th, median and 25th percentile of the company’s UK employees. CEO pay must be calculated using the existing formula for the ‘single figure’ of total remuneration, encompassing salary and all forms of pay and benefit including pensions, bonuses and share awards. The employee total remuneration figures include salary, taxable benefits, cash bonuses, share-based pay and pensions.

These regulations came into force for financial years beginning 1 January 2019, so it is possible to compare CEOs pay relative to their employees for some companies (those with a 1 January to 31 December financial year) from 2019, and all FTSE 350 companies with more than 250 UK employees from 2020 onwards

In June 2021, HPC and the Abrdn Financial Foundation Trust published an analysis of pay ratio disclosures indicating that the pay gaps between CEOs and their own employees were set to widen, having narrowed during the pandemic. [10]

It is now possible to complete a full comparison of financial years ending in 2021 and 2020, based on all annual reports published relating to these periods. This confirms our initial finding that pay ratios would widen in the aftermath of the pandemic with significantly higher pay ratios in 2021 compared to 2020.

Table 6: FTSE 100 pay ratios [11]

	2019 Median		2020 Median		2021 Median	
	FTSE 100	FTSE 250	FTSE 100	FTSE 250	FTSE 100	FTSE 250
CEO: Lower Quartile Employee Ratio	109	58	85	43	103	62
CEO: Median Employee Ratio	73	43	65	31	79	47
CEO: Upper Quartile Employee Ratio	48	27	43	22	51	33

The increase in pay gaps probably reflects the fact that executive pay is more closely linked to financial performance metrics via bonuses and LTIPs that vary over time, whereas the variable element of most workers' pay is much smaller. However, the experience of the pandemic highlights flaws with this approach.

The fact that, according to the metrics used in CEO pay packages, companies performance dipped in 2020 before rebounding in 2021 obviously, in general, reflects the impact of the pandemic. It has very little to do with the performance of the CEOs, yet they were rewarded for the post-pandemic rebound (and punished for the initial decline in performance, in so far as median pay of £2.46m can be called a punishment).

The widening inequality also ignores the role the wider workforce had in keeping companies (and the wider economy) functioning throughout the pandemic, and shows that executives have benefited disproportionately from the upturn in business performance compared to the wider workforce.

Table 7: Highest 2021 FTSE 100 CEO: Median employee pay ratios

Company	CEO/Median Employee Pay Ratio
CRH	289
Rentokil	232
Lloyds Banking	225
Flutter	214
B&M	196
Ashtead	185
JD Sports	183
Next	178
AstraZeneca	162
Associated British Foods	155 [12]

Table 8: Highest 2021 FTSE 100 CEO: Lower quartile employee ratio

Company	CEO/Lower Quartile Employee Pay Ratio
CRH	390
Flutter	346
Lloyds Banking	316
Rentokil	281
JD Sports	251
Astrazeneca	240
RELX	223
Ashtead	217
BP	208
B&M	207

Diversity

Of the 98 companies covered by our report, 9 have a female CEO. This number has increased from 7 in 2020. Two of these companies, Entain and Harbour, appointed female CEOs midway through their 2021 financial year, after having both had male CEOs previously. Of the 7 companies that had a female CEO for all of their financial year, the median single figure of remuneration was £3.01m. This is well below the mean for male FTSE 100 CEOs, which is £3.49m. However, the very small sample size of female CEOs renders pay comparison less meaningful. The most pressing issue is the underrepresentation of women among FTSE 100 CEOs and senior management more broadly.

At present, firms are not required to disclose the ethnicity of their CEO or senior management teams – as they must with gender – so it is not possible to ascertain the level of under-representation of ethnic minorities from annual reports and accounts. The UK government's Parker Review Committee conducted a survey on the ethnic diversity of FTSE 350 boards, for which data was collected between July 2019 and January 2020 [13]. 83 companies in the FTSE 100 responded fully. Of these 83 companies, 11.3% of directors were BME directors, however, these directors are concentrated in a small number of companies: across the FTSE 350 as a whole, 8 companies account for nearly 25% of the directors of colour. These are mainly companies owned or founded in Central and Southern America, Asia or Africa, including mining companies in particular. 31 of the 83 companies did not meet the Parker Review's target of at least one BME director on the board.

Social and professional background are perhaps more difficult forms of diversity to define, and thus are perhaps overlooked in contrast to other characteristics. However, there is a strong basis for thinking that different life experiences and perspectives can improve decision making. Routes to the boardroom other than through conventional business careers involving graduate roles, promotions and senior management positions also enhance social mobility. It is therefore disappointing that no FTSE 100 company includes a worker director on their board and that directors remain almost entirely drawn from a constituency of senior business and finance professionals.

Conclusion

In 2021, CEO pay rebounded significantly while ‘pay ratios’ between lead executives and their employees widened. Any hopes that the pandemic had engendered a new spirit of solidarity resulting in lower levels of top pay and reduced income inequality were quickly dashed.

This should be of concern to those hoping that the recovery from Covid-19 could be an opportunity to “build back better” and grow a more inclusive economy which better rewards workers on low and middle incomes, whose value to our society was so strongly emphasised during this period.

But the findings from this report should also present an opportunity for business leaders and policymakers to reflect on whether they could help set an alternative path instead.

The fact that CEO pay levels in 2020 decreased without CEOs departing for better-paid occupations or their businesses falling apart, suggests that companies can afford to be braver about reducing CEO pay to levels less removed from the experience of the wider population, and instead prioritise boosting the incomes of their lower paid employees.

Polling for the High Pay Centre this year has found that 63% of people think that CEOs should not be paid more than ten times their low and mid level employees [15]. Excessive top pay and poor pay and conditions for lower paid workers were given as two of the top three reasons for lack of trust in business, which has now reached a point where more people think business has a generally negative impact on society than a positive one.

This suggests that those companies that are bold enough to take action to re-balance their pay distribution, with reductions in the vast awards made to those at the top contributing to increases for low and middle earners, would generate significant public goodwill.

Huge sacrifices were made by much of the workforce during the Covid-19 pandemic, following a decade of wage stagnation for British workers. The promise of a fairer economy espoused by the UK government and politicians across the political spectrum is not one which should be broken.

Tackling the pay disparities at Britain’s biggest companies can play a central role in ensuring that workers get the pay rise they deserve, and that motivated workforces can play a crucial role in revitalising the British economy.

Policy recommendations

The High Pay Centre and the TUC believe that the following policy recommendations would help to ensure fairer, more proportionate and economically sensible levels of executive pay.

Implementing these policies would boost public confidence in the pay setting process and in business practice more generally. It would also help to ensure that low and middle earners working for large employers get a better share of total expenditure on pay, putting more money in their pocket and boosting their spending power.

- Companies should be required to include a minimum of two elected workforce representatives on the remuneration committees that set pay at UK-listed companies. This would inject 'real world' perspective into deliberations on executive pay levels and ensure that the distribution of pay between high, middle and low earners is a key consideration for committees. If companies can demonstrate that their pay practices are endorsed by fully independent workers' representatives that will also help them to justify their executive pay levels to their own workforce and the wider public.

- Unions should have legally guaranteed access to workplaces to tell workers about the benefits of union membership and collective bargaining (following the system in place in New Zealand [16]). Executive pay and the share of total incomes captured by the super-rich have risen in parallel with the decline in trade union membership. Enabling workers to strengthen their negotiating power through collective bargaining would be an effective way of ensuring that they get a higher share of what their employer spends on pay relative to top earners, thereby both boosting incomes and reducing inequality.

- Companies should be required to provide more detail about their highest and lowest paid workers. The current disclosure regime requires companies to publish their CEO pay and the ratio between the CEO and the 75th, 50th and 25th percentile point of their UK employee population. However, this means there is little detail on top earners below the CEO, or on the lowest-paid workers at a company, with no detail at all on the extent of their indirectly employed workforce. Disclosures requiring the total spend on earners beyond a certain threshold and the number of workers (including indirectly employed workers) paid less than the real living wage would enable a better discussion of the value generated by top earners, the capacity for companies to re-distribute pay internally and the fairness and proportionality of pay gaps that actually exist.

- New bodies should be established for unions and employers to negotiate across sectors, beginning with hospitality and social care. The issue of pay inequality relates to a number of employment practices including bargaining power, recruitment, productivity and flaws in the operation of remuneration committees that are inhibiting the UK economy and diminishing living standards. Bargaining across sectors would enable agreements to be reached on areas such as pay, training, recruitment and working practices , starting in hospitality and social care where challenges are particularly acute.

- Long-term incentive payments should be phased out, in line with the Conservative 2019 Manifesto commitment to 'improve incentives to attack the problem of excessive executive pay and rewards for failure [17].' CEO pay fell in 2020 and then rebounded spectacularly in 2021 but this was blatantly not a reflection of CEOs leadership falling and then rising in quality rather than factors such as the share price and profitability of the companies responding to the pandemic. It is ludicrous that CEO pay is so contingent on circumstances over which they have little control, and undermines public confidence in business. LTIPs, which count for the largest element of CEO pay should be removed and replaced with mechanisms like profit shares, common to all staff ensuring that everyone who contributes towards a company's success benefits from it.

Methodology

Our research covers the FTSE 100 and FTSE 250 cohort as at June 2021 and analyses the information published in their annual reports for financial year-ends in 2021. This means that there are a small number of companies with a non-calendar financial year that have already published their annual report for their financial year ending in 2022. Therefore, the figures used for these companies in this report do not represent their most recent pay award. This is an unavoidable challenge of research on CEO pay - new figures are published throughout the year, while compiling, analysing and publishing the data inevitably involves some degree of time lag.

We excluded FTSE 100 companies Scottish Mortgage Investment Trust and Pershing Square Holdings from our analysis as they are externally managed investment trusts and therefore not relevant to the study of CEO and employee pay. In the FTSE 250 we excluded 80 companies, the vast majority of whom are also externally managed investment trusts, with a small minority of other companies for whom data was not available.

All figures are based on the 'single figure' disclosed in companies' annual reports, calculated according to a methodology prescribed by government regulation. Where there has been a change of CEO during the financial year, the figure represents the total remuneration awarded to the two (or more) individuals that relates to their role as CEO, which in some cases may include one-off costs such as transfer costs and golden handshakes. However, in 3 cases where the CEOs have occupied other board roles during 2020, the remuneration report does not detail the size of pay components (such as bonuses and LTIPs) for the time spent by the individual in their role as CEO, but for the whole year of service on the board. This prevents us from calculating the pay components received by the CEO. As a result, our analysis of the components of FTSE 100 CEO pay packages is based on 95 companies rather than 98.

Where we have calculated the proportion of CEO pay made up of bonuses and LTIPs, we have counted all instances in which a bonus or LTIP was not paid as 0. This includes companies where a bonus or LTIP scheme was not in place, as well as those where the minimum performance criteria to trigger a pay-out were not met, or where the bonus or LTIP was waived on a discretionary basis.

Income from all-employee share schemes, as well as notional returns and the value of buyout options, were included in the category of LTIP.

Where 2019 CEO pay has been restated in the 2020 accounts, we have used the restated figures based on 2020 accounts.

Averages (mean and median)

Both the mean and the median are single values that describe the middle or average of a range of values. The mean is calculated by adding together all the values in a dataset and then dividing the result by the number of values in that dataset. To find the mean pay received by FTSE CEOs, we have added all of the CEO single figures together and then divided the total by the number of FTSE CEOs in our sample (98 excluding Scottish Mortgage and Pershing Square Holdings, as discussed).

The median is found by listing all the values in numerical order. If there is an odd number of values, the median is the number in the middle of the list; if there is an even number of values, the median is the mean of the two middle numbers.

Both the mean and median figures are useful in exploring the distribution of single figure outcomes received by FTSE CEOs. If the mean and median single figures for remuneration were the same, this would indicate that there was no skew in how pay has been distributed. If the mean and the median are widely different, the dataset is skewed, either by the presence of very low earners (where the mean is below the median) or by a group of very high earners (where the mean is above the median).

Foreign exchange rates

All pay figures have been converted to sterling before analysing the data. We have used the spot rates closest to each company's year-end. These are taken from government sources [18].

Endnotes

[1] Annual Survey of Hours and Earnings 2020 via https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupbyindustry2digitsicashetable21

[2] This differs from the figure given in HPC's report on CEO pay in 2020, as some CEO single figures for 2020 have been revised in 2020 annual reports.

[3] Lloyds Banking had three CEOs during the course of their financial year ending 31 December 2021. Sir Antonio Horta Osorio retired as CEO on 30 April 2021. William Chalmers acted as interim-CEO from 1 May to 15 August 2021, and Charlie Nunn was appointed CEO on 16 August 2021.

[4] Harbour had two CEOs during the course of their financial year ending 31 December 2021. Linda Z. Cook was appointed as CEO on 1 April 2021. She was preceded by Richard Rose. The figures represent their combined pay in the CEO role for that year.

[5] The data used in Figures 2 and 3 for 2009 to 2019 are taken from: CIPD & HPC (2020) FTSE 100 CEO pay in 2019 and during the pandemic. London: Chartered Institute of Personnel and Development, p.10.

[6] UK wage data used to calculate the ratios in this table is sourced from the ONS Annual Survey of Hours and Earnings 2020.

[7] The data on bonuses and LTIPs for 2019 and 2020 relates to the single-figure data originally given, rather than the data that has been revised the following year.

[8] The data used in Figure 4 for 2017 to 2019 is taken from: CIPD & HPC (2020) FTSE 100 CEO pay in 2019 and during the pandemic. London: Chartered Institute of Personnel and Development, p.12, via https://highpaycentre.org/hpc-cipd-annual-ftse-100-ceo-pay-review-ceo-pay-flat-in-2019/

[9] This figure is of executive roles rather than individual executives i.e. if 3 separate individuals have held the position of CEO at the same company in the same year, the CEO role will still only be counted as 1 executive role.

[10] High Pay Centre/Abrdn Financial Fairness Trust, High Pay Centre analysis of FTSE 350 pay ratios (2022) via https://highpaycentre.org/high-pay-centre-analysis-of-ftse-350-pay-ratios/

[11] The data in table 6 is sourced from HPC's rolling database of pay ratios, last updated July 2022. Datapoints are entered when a company's annual report is published. The index assigned to the company for that year is determined by which index the company was in on the date of its year end. The full database in available on the HPC website via https://highpaycentre.org/uk-pay-database/

[12] Tables 7 and 8 are based on FTSE 100 constituents as at June 2022, as per the rest of the report. This covers 85 companies who published pay ratio data.

[13] The Parker Review Committee (2020) Ethnic Diversity Enriching Business Leadership, via https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/news/2020/02/ey-parker-review-2020-report-final.pdf

[14] According to the Parker Review, however, these directors are concentrated in a small number of companies: across the FTSE 350 as a whole, 8 companies account for nearly 25% of the directors of colour. These mainly consist of companies owned or founded in Central and Southern America, Asia or Africa, including mining companies in particular.

[15] HPC and Abrdn Financial Fairness Trust (2022) High Pay Centre analysis of FTSE 350 pay ratios, p.20, via https://highpaycentre.org/six-out-of-ten-people-think-ceos-should-be-paid-no-more-than-ten-times-their-typical-employee/

[16] In New Zealand, trade union officials have the legal right to visit workplaces carrying out the type of work covered by the union, in order to discuss union-related issues with workers.

[17] Conservative and Unionist Party (2019), General election manifesto, p35, via https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf

[18] HMRC yearly average and spot rates, via https://www.gov.uk/government/publications/exchange-rates-for-customs-and-vat-yearly

The High Pay Centre is an independent, non-partisan think tank focused on fairer pay, worker voice and better business. It runs a programme of research, events and policy analysis involving business, trade unions, regulators and policymakers, investors and civil society focused on achieving an approach to pay ,work and business practice that enjoys the confidence of all stakeholders.

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