



# The Governance for Growth Investor Campaign

Our saver-focused policy vision for  
thriving, growing UK capital markets  
and companies



## Executive summary

With growing geopolitical uncertainty, and as jurisdictions elsewhere roll back the shareholder rights and governance safeguards that are important for sustainable economic growth, **the UK has the opportunity to become the destination of choice** for domestic and international capital.

As catalysts for capital creation, UK pension schemes already invest extensively in the UK across asset classes, and pension fund investment can be particularly impactful in boosting productivity. But **evidence shows that sustainable growth requires good governance**, across public and private markets. And UK pension schemes need to be empowered to help companies grow.

This is a pivotal moment to reshape UK corporate governance for future growth, and for future generations of savers. **The Governance for Growth Investor Campaign (GGIC) seeks to work with policymakers on an evidence-based governance for growth approach** that has the interests of everyday UK savers at its heart, aligns with the UK government's growth mission, and helps achieve the thriving UK companies, capital markets and economy that we all want to see.

## Background

UK pension schemes together manage ca. £3.2 trillion on behalf of 38 million members<sup>1</sup>, including ca. £1.4 trillion invested in UK companies and assets<sup>2</sup>. Geopolitical and macroeconomic headwinds mean UK policymakers are increasingly asking UK pension schemes to invest further in areas of key strategic importance.

The Governance for Growth Investor Campaign (GGIC) was created by a group of the UK's largest pension schemes, that collectively invest over £60 billion in the UK on behalf of 11 million savers.

Members of the GGIC are already extensive investors in the UK economy<sup>3</sup> and stand ready to reinvigorate UK capital markets in partnership with policymakers and companies<sup>4</sup>. We understand that the drivers for thriving capital markets are multi-faceted, however sensible governance has a part to play in facilitating this. UK pension schemes therefore need to be empowered as key catalysts of capital creation, with private and public markets frameworks that support efficient and effective long-term value creation.

## Why governance matters for growth

Evidence shows that effective corporate governance and shareholder rights help companies perform better by making sure they are well-run, transparent, and accountable. When companies are well-managed and decisions are made in the best interests of all shareholders, they are more likely to grow sustainably, avoid costly mistakes, and attract long-term investment.

This is because:

- Independent, skilled company boards provide effective oversight of management, reducing agency problems.
- Shareholder and voting rights ensure that strategic decisions align with long-term shareholder value creation, reducing the likelihood that management will take value-destructive decisions.
- Financial, operational and reputational risks are more likely to be identified early and effectively managed, leading to greater business resilience – particularly during times of crisis.
- Investors are more willing to invest in firms with strong governance, lowering the cost of capital.

As well as ensuring that the lessons of past economic crises and corporate scandals are learnt, all of this encourages long-term value creation over short-term gains, creating more resilient companies, stronger economies and better outcomes for UK savers overall.

- <sup>1</sup> Pensions and Lifetime Savings Association, "Pensions and Growth: Creating a Pipeline of Investable UK Opportunities" (2024).
- <sup>2</sup> Pensions Policy Institute "Pension scheme assets - how is asset allocation changing and why?" (2025).
- <sup>3</sup> According to WPI Economics, as of March 2024 large UK asset-owning pension funds have allocated £39.4bn in UK private credit, £37.9bn in UK property, £32.8bn in UK-listed equities, £27.6bn in UK infrastructure, £17.9bn in UK private equities and venture capital, and £6.6bn in UK renewables. As an example, UK pension scheme investment in UK housing and infrastructure generated £71.3bn in total economic gross added value (GVA) over a three-year period. "The Scale of It: the added value of independent and scaled UK funds" (May 2025).
- <sup>4</sup> A CEPR study of Danish firms by Beetsma et al., "Do Pension Fund Investments Make a Difference? Effects on Firm Productivity" (2022) found that investments by pension funds raised firms' productivity, and that this was particularly the case for unlisted firms. They posited that this was in part through active engagement by pension funds with portfolio companies, as well as through providing a positive signal about the firm to the market and providing long-term security of financing.



## The GGIC mission

We want to make sure the importance of good governance to UK economic growth is recognised and acted upon by UK policymakers. We aim to secure a thriving UK economy that protects the long-term interests of everyday savers through strategic and collaborative action.

**We agree that more could be done to support UK companies to scale, grow and thrive in the UK** – to the benefit of our members and other everyday UK savers. We champion the benefits of sound corporate governance standards and effective investor protections in enhancing the UK's economic growth.

UK pension schemes – motivated purely by everyday savers' interests – want capital markets where they can access exciting, innovative companies that generate sustainable financial returns over the long-term. At a time when the Government is urging UK pension schemes to boost the economy, we need scheme investors to have a seat at the capital markets and corporate governance policymaking table.

We think there are ways the gap between public and private markets governance can be closed still further to avoid a race to the governance bottom and smooth the company journey across private and public markets. We think even more can be done by policymakers to support UK companies as they scale and mature. And evidence shows that we need effective tools to help us work in true partnership with UK companies to help them grow.

<sup>5</sup> See, for instance: Gompers, Paul A., Joy L. Ishii, and Andrew Metrick. "Corporate Governance and Equity Prices" (2003), showing that firms with stronger shareholder rights had higher firm value, profits and sales growth and lower capital expenditure; Affes, W., & Jarboui, A., "The Impact of Corporate Governance on Financial Performance: A Cross-Sector Study" (2023), whose study of 160 UK companies found that effective corporate governance significantly improves financial performance measured by the return on equity; and Danilov, G., "The impact of corporate governance on firm performance: panel data evidence from S&P 500 Information Technology" (2024) whose analysis found that shareholder-focused governance practices, board independence and audit committee strength positively affect firm performance.



## Our policy objectives & next steps

<p><b>Give UK capital allocators a seat at the policy table</b></p>	<p>As UK pension schemes, our fiduciary duty means our interests are purely aligned with those of our members, and it's important that our voice is heard.</p> <p>As the catalysts of capital creation with a unique knowledge set and a long-term perspective, we need a formal seat in key UK capital markets and corporate governance policymaking forums.</p>
<p><b>Avoid artificial divides between private and public markets</b></p>	<p>Whether a company is private or public, it needs to have effective governance and investor rights mechanisms to help it grow and scale.</p> <p>Some private markets disclosure standards could be streamlined and consolidated, while measures should be taken to ensure UK pension schemes get the 'right' information and 'appropriate' governance rights they need to support companies to thrive and grow sustainably.</p> <p>We champion measures that will smooth the journey of companies, including their access to funding, as they mature. This includes allowing the phasing in of some new requirements as companies move across markets and market segments.</p>
<p><b>Celebrate the UK's status as a capital 'destination of choice'</b></p>	<p>Future government trade missions should clearly articulate the benefits of the UK's historic corporate governance standards and investor protections to international markets and investors.</p> <p>UK pension schemes stand ready to join these missions and bring an important investor-to-investor dimension to conversations with our international peers, in our role as large and experienced capital allocators.</p>
<p><b>Empower UK pension schemes to help companies grow</b></p>	<p>Sustainable growth needs sound governance. High-growth companies in particular benefit from listening to their shareholders, and to markets, in order to scale and thrive<sup>6</sup>.</p> <p>UK pension scheme shareholders need effective tools, including access to companies and shareholder rights, to help us work in partnership with UK companies to achieve long-term sustainable growth.</p>

<sup>6</sup> For instance, Barko et al., "Shareholder Engagement on Environmental, Social, and Governance Performance" (2021) show that firms with lower ESG scores (which usually includes younger or rapidly scaling companies) can benefit most from engagement with shareholders. Similarly, greater alignment with long-term investor expectations can help signal a company's credibility to the market – this is particularly important for younger firms as following successful engagements, companies experienced improved accounting performance and governance, and increased institutional ownership (Dimson et al., "Active Ownership" (2015)).



Our focus is on longer-term, strategic relationship-building and awareness-raising in pursuit of our policy objectives.

A priority for us will be engaging on the draft Audit Reform and Corporate Governance Bill, which already contains many sensible and welcome reforms, to ensure the following:

- Company shareholders are able to fully and genuinely interact with portfolio companies<sup>7</sup>.
- The largest private companies benefit from high-quality audits.
- Better disclosure is provided to company boards and investors on voting outcomes from companies with unequal voting rights.

We recognise that it is up to pension schemes and the wider industry, as well as policymakers, to proactively shape capital markets policy in a way that serves everyday UK savers. We will therefore also be looking to collaborate in support of better oversight of the private markets ecosystem, advocating for more effective, efficient and growth-oriented regulatory oversight of financial markets and working with asset managers to ensure they align with client objectives.

## Conclusion

There's no silver bullet to creating a UK capital markets framework that supports UK pension schemes to invest for growth across both public and private asset classes.

We recognise that many UK policymakers are continuing to develop their understanding of how to create capital markets that work for UK pension scheme investors, as well as for high-growth companies.

**This is a pivotal moment to shape UK corporate governance for future growth, and for future generations of savers.** As UK pension schemes, representing millions of scheme members and with a shared interest in long-term value creation, we stand ready to further support and accelerate the UK's growth objectives – but we need an effective 'governance for growth' and shareholder rights framework that will help us to do so.

<sup>7</sup> In our view, the approach outlined in the International Corporate Governance Network (ICGN), "Shareholder Meetings and Investor Dialogue: The New Normal" \*ICGN Viewpoint\* (September 2020) is sensible.



# Appendix: Some GGIC policy proposals

We look forward to further work across the policy agenda with our peer schemes and with others who are passionate about capital markets policymaking that has the saver at its heart.

The following is not an exhaustive list of policy – and industry – initiatives that we think would help put governance at the core of the UK economic growth agenda. However, we hope that these provide a useful indication of at least some of our near- and medium-term priorities.

## Give UK capital allocators a seat at the policy table

- Set up an HM Treasury pension scheme investor ‘Governance for Growth’ taskforce.
- Invite pension scheme investors to participate in the new Listings Taskforce, harnessing our expertise in helping companies grow.

## Avoid artificial divides between public and private markets

- Ensure the approach to auditing of Public Interest Entities (PIEs) avoids the private/public cliff-edge.
- Streamline and enable the convergence of UK private markets disclosure standards – to reduce duplication and reporting fatigue.

## Celebrate the UK’s status as a capital ‘destination of choice’

- UK international trade mission to include a more significant role for UK pension scheme investors.
- Government to be more vocal about the UK’s historic role as the world’s quality market.

## Empower pension schemes to help companies grow

- Companies listing with dual-class share structures to provide class-by-class vote disclosure.
- Clarify that companies should allow for both virtual and in-person AGM attendance.

