Modernising Corporate Reporting consultation – Parliamentary Briefing

Promoting corporate governance that supports UK investment and growth

About GGIC

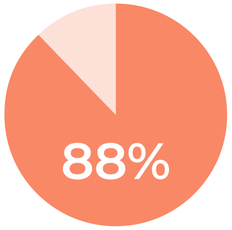
The Governance for Growth Investor Campaign (GGIC) is a UK initiative led by major UK pension schemes. It promotes effective corporate governance and investor rights as essential drivers of sustainable economic growth, long-term value creation and confidence in UK capital markets.

GGIC collectively manages over £180 billion on behalf of 21 million pension holders, with £70 billion currently invested across UK private and public markets. The campaign **is supported by investor organisations representing trillions of pounds in assets**, including the International Corporate Governance Network (ICGN), the Local Authority Pension Fund Forum (LAPFF), Pensions UK, the Principles for Responsible Investment and the UK Sustainable Investment and Finance Association.

Our ambition: governance that supports investment and growth

The Department for Business, Innovation, Science and Trade's (BIST) Modernising Corporate Reporting (MCR) consultation proposes several measures to simplify and streamline UK company reporting. **GGIC supports many of the Government's proposals objective to promote UK growth.**

However, the UK's attractiveness as a capital destination depends on investor and company confidence. We therefore believe that modernisation should improve the quality and usability of reporting, not remove the mechanisms that investors use to assess risk, exercise their voice and efficiently allocate capital. The UK business community agrees:



88% of UK businesses believe the UK risks losing its prestige as a quality financial market unless it has effective corporate governance standards.[1]

Our call to action

We request that you consider our three asks and raise them directly with Government as part of its **Modernising Corporate Reporting (MCR)** consultation, which closes on 30 November

GGIC: key asks of government

1. **Set hybrid AGMs as the baseline for listed companies.** If online-only AGMs are permitted as proposed, require clear safeguards, including shareholder ability to reverse approval of the next online-only AGM at short notice and independent assurance of the online AGM process
2. **Keep the annual advisory vote on the remuneration report.** It is a targeted mechanism for shareholder oversight of pay outcomes and remuneration committee judgement, and many other leading markets have this mechanism
3. **Retain transparency on how boards respond to shareholder concerns**, including how remuneration committees engage with shareholders on pay proposals and how companies respond to significant shareholder dissent on remuneration

GGIC: detailed recommendations



Government MCR proposal: Clarify to further enable online-only AGMs[2]

GGIC Ask 1

- Hybrid AGMs as the baseline for listed companies
- If online-only AGMs are permitted, require shareholder safeguards including:
  - Shareholder ability to reverse approval of the next online-only AGM at short notice
  - Clear disclosure of planned shareholder safeguards in virtual only AGM resolution
  - Independent assurance of the online-only AGM process

Rationale: Annual General Meetings (AGMs) are one of the only opportunities for direct engagement between boards and both individual and larger shareholders. Instead of online-only AGMs which stifle debate and dialogue[3], **GGIC supports hybrid AGMs because they:**

- **Broaden participation** and accessibility for all shareholders
- **Enable direct challenge** and questioning, particularly during contentious discussions
- **Help the company communicate** nuanced and complex issues
- **Boost trust** between a company and its shareholders
- **Avoid a meeting being invalidated** should the technology fail

There is clear investor and company support for hybrid AGMs: our survey found that **83%** of listed businesses prefer a hybrid model, and **92%** of business leaders believe it's important to meet shareholders in person[4]. This is consistent with investor sentiment, with a recent survey finding that only 10% of investor respondents supported online-only AGMs, compared with around **50%** supporting hybrid formats.[5]

GGIC: detailed recommendations



Government MCR proposal: Scrap the shareholder right to vote on the remuneration report[6]

GGIC Ask 2

- Retain the annual advisory vote on the remuneration report as a key mechanism for shareholder oversight of pay outcomes and remuneration committee discretion

Rationale: The annual advisory vote on the remuneration report is an important mechanism for enabling board engagement, and **the overwhelming majority of UK business leaders (92%) in publicly listed companies agree**.[7] It allows shareholders to assess pay outcomes and how remuneration committees have exercised judgement.

The vote provides:

- **Targeted oversight**: Shareholders can assess whether pay outcomes are justified by performance[8]
- **An opportunity for timely dialogue:** Company performance, market conditions and the context for pay decisions can change significantly at short notice
- **Demonstrable impact:** Of the 16 UK firms in 2025 whose remuneration reports received a high proportion of votes 'against', only four did so again in 2026 – as boards were encouraged to listen to shareholders' concerns through the vote[9]

Removing the vote would weaken shareholder oversight, increase pressure on policy votes and director elections and undermine an established mechanism supporting investor confidence in UK-listed companies and capital markets. It would also mean the UK would lag behind other financial markets, several of which provide a remuneration report vote.

GGIC: detailed recommendations



Government MCR proposal: Remove remuneration reporting on how

- **the remuneration committee has engaged with shareholders on pay proposals**
- **a company is addressing any significant shareholder dissent on a vote on directors' remuneration**[10]

GGIC Ask 3

- Retain disclosure of how remuneration committees engage with shareholders on pay proposals
- Retain disclosure of how companies respond to significant shareholder dissent on remuneration

Rationale: GGIC supports targeted streamlining of remuneration reporting. However, we are concerned by proposals to remove disclosures showing how remuneration committees have considered shareholder views on pay and how boards have responded to significant opposition to remuneration outcomes. This would weaken visibility of how boards are held accountable for remuneration decisions and undermine the UK's reputation as a market leader for corporate governance standards.[11]

The disclosure provides:

- **Transparency on board responsiveness:** How boards have considered shareholder feedback when determining pay outcomes
- **Evidence of accountability:** Demonstrates whether boards are prepared to explain and, where appropriate, adapt their approach
- **Confidence in stewardship mechanisms:** Whether engagement between companies and shareholders is translating into meaningful outcomes

Selected UK investments

GGIC members invest £70 billion in the UK on behalf of 21 million members. We present a selection of GGIC investments here.



Edinburgh

- Nest's investment in Forth Ports to become Scotland's largest offshore wind and renewable energy hub
- Creates jobs, strengthens local supply chains, and contributes to the country's net zero ambitions



Northamptonshire

- The BT Pension Scheme owns a 50% stake in Silverstone Business Park
- 10% annualised return in December 2025
- Fivefold increase in employment
- Planting of 500 native trees and 30,000 metres of hedgerow



Cardiff

- Nest is invested in Cardiff's Central Square regeneration scheme
- New transport hub for the city with improved rail connections, ground floor retail space, commercial and residential accommodation



Sunderland

- Railpen completed a 35,000 sq ft state-of-the-art mental health facility at Monkwearmouth Hospital
- 30+ year lease with the NHS, providing long-term, inflation-linked returns for Railpen members



Cambridge

- Mill Yard is a Railpen property investment comprising of offices, apartments including 20% affordable homes
- The site will generate up to £280 million of additional social and economic value and create 707 on-site jobs



London

- The BT Pension Scheme holds a 23% stake in the King's Cross estate
- Increased employment by 135%, delivered 2000 new homes, including 650 affordable homes
- 26 acres of new parkland, while generating an annualised return of 19%



Footnotes

1/4/11 Survey conducted by FTI Consulting on behalf of GGIC. The online research surveyed 250 senior business leaders from public and private companies with an annual turnover of at least £50 million between 8 and 16 October 2026.

2 Chapter 8, Q46

3 See ICGN The importance of maintaining an in-person option for AGMs.pdf

5 ISS STOXX Global Benchmark Policy Survey

6/7 Chapter 7, Q43

8/9 Key Shareholder Voting Trends for 2026 - FTI Strategic Communications

10 Chapter 7, Q40

This map is illustrative and does not represent the campaign's full UK investment footprint. Additional pins reflect broader UK investment activity and do not cneccessarily orrespond to specific investments.