



Financial Reporting Council

Annex 1

The influence of the UK Stewardship Code 2020 on practice and reporting

July 2022

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Asset manager survey

Welcome

Thank you for agreeing to participate in the FRC's stewardship survey. Before you begin, please can you confirm that you have read the information for participants, and please confirm the following:

- I consent to be a participant in this voluntary study and understand that I can withdraw from the research at any time up until September 2021, without supplying a reason.
- I understand that the information I provide will be used for research publications and that my answers will be anonymised unless otherwise agreed.
- I understand that any personal identifiable information (name, email address etc) will be kept confidential and not shared with anyone except the research project team.
- I grant permission for the anonymised information to be archived so that it can be used for future research.

About you

1. What is your name?
2. What is your age?
 - 18-29
 - 30-39
 - 40-49
 - 50-59
 - 60-69
 - 70 or over
3. What is your gender?
 - Male
 - Female
 - Other
 - Prefer not to say
4. What is your job title?
5. What is your level of seniority?
 - C-Level (CIO, CEO, COO etc)
 - Director
 - Senior Manager

-
- Manager
 - Analyst
 - Associate

6. Which aspects of stewardship are you most involved with? Please check all that apply.

- Client Relations
- Consultant relations
- ESG Research
- Proxy Governance Research
- Portfolio Management
- Product Development
- Proxy Vote Management
- Stewardship Policy
- Compliance/Level
- Investment Analysis
- Engagement
- Investment/Portfolio Management

7. How long have you been in your role?

- <1 Year
- 1-3 Years
- 3-5 Years
- 5-10 Years
- > 10 Years

About your firm

1. What is the name of your firm?

2. In which country is your firm headquartered?

- United Kingdom
- Republic of Ireland
- United States of America
- France

-
- Germany
 - Netherlands
 - Switzerland
 - Australia
 - Luxembourg
 - Sweden
 - Other (please specify)

3. What was your firm's total GBP AUM (in billions) across all the strategies, as at December 2020?

4. In which country is your firm headquartered?

- Equalities – Passive/Index/Quant
- Equalities – Active
- Fixed Income – Government Bonds
- Fixed Income – Corporate Bonds
- Fixed Income – Emerging Market Debt
- Fixed Income – High Yield
- Fixed Income – Private Debt
- Real Estate – Directly Held Assets
- Real Estate – Fund/Fund of Fund Investment
- Infrastructure
- Venture Capital
- Private Equity
- Other (please specify)

5. Was your organisation a signatory of the 2012 Code?

The governance of stewardship

1. Who is the most senior individual in your firm that has oversight of stewardship policies? Please chose the job title that most closely resembles your structure.

- Chair of the Board
- CIO
- COO

-
- Head of Investment
 - Head of Responsible Investment
 - Vice President
 - Portfolio Manager
 - CEO
 - Other (please specify)
2. Does your firm have a group(s) or committee (s) that reviews high-level stewardship policies?
- Yes
 - No
 - Other
 - If you answered Yes, what is the name of the group or committee?
3. Are there any non-executive directors or independent outside participants involved in the oversight group?
- Yes
 - No
 - Not applicable
4. How frequently are stewardship policies reviewed at an operational level?
- Quarterly
 - Semi-annually
 - Annually
 - Biennially
 - None of the above
 - Other (please specify)
5. Are your operational level stewardship policies also reviewed by your oversight group or committee?
- Yes
 - No
 - Not applicable
 - Other (please explain)
6. If yes, how frequently does your oversight committee review your policies?
- Quarterly

-
- Semi-annually
 - Annually
 - Biennially
 - None of the above
 - Other or further details

7. Have the governance structures of stewardship changed in the past 1-2 years?

- Yes
- No
- Please can you explain your change rationale and outcomes

The resourcing of stewardship

1. How many people in your organisation spend more than 50% of their time on stewardship-related activities, such as: engagement, voting, ESG research, reporting, client engagement? Please state your best approximation.

2. How have staff resources for stewardship changed over the past 1-2 years?

- They have increased significantly
- They have increased slightly
- Stayed about the same
- They have decreased

3. How do you think staff resources for stewardship will change in the next 1-2 years?

- They will increase significantly
- They will increase slightly
- Stay about the same
- They will decrease
- Please add any additional comments that may be useful

4. Which of the following stewardship activities are outsourced? Please select all that apply.

- ESG ratings
- ESG research
- Engagement: some
- Engagement: all
- Policy development

-
- Proxy voting (wholly)
 - Proxy vote management (administration)
 - Proxy governance research
 - Reporting
 - None of the above
 - Other / Comments
5. What is your total 2021 budget in GBP in Research and Data in the investment process, including broker research? Enter "unknown" if this data is not available.
6. What % of your research budget is allocated to stewardship (including ESG)? Enter "unknown" if this data is not available.
7. How has the overall research budget changed in the past 1-2 years?
- Increased significantly
 - Increased slightly
 - Stayed the same
 - Decreased
 - Other (please specify)
8. How do you expect the overall research budget to change in the next 1-2 years?
- Increased significantly
 - Increased slightly
 - Stayed the same
 - Decreased
 - Other (please specify)
9. Have you sought out any new resources to inform stewardship in the past 1-2 years? Please select all that apply.
- AI/data algorithms
 - Issuer meetings: broker engaged
 - Issuer meetings: proxy solicitor/IR managed
 - Company disclosures
 - Data providers: ESG specialists
 - Data providers: general
 - Index providers

-
- NGO Research
 - Proxy governance research (Proxy advisers)
 - Self-side (broker) research
 - Trade/membership associations
 - Training
 - None of the above

10. How does your organisation incentivise the effective integration of stewardship throughout the investment process? Please select all that apply.

- Financial incentives
- Organisation-wide policy
- Role-specific performance objectives
- Team-specific policy
- No incentives
- None of the above
- Other (please explain)

Activities, processes, and outcomes

1. Please describe your voting policy

- Bespoke (custom)
- Off the shelf (standard)
- Other / Comments

2. Which of the following engagement and escalation tools have you used in the PAST 1-2 years? Please check all that apply.

- Collaboration with other investors
- Media statements – on the record
- Media statements – off the record
- Requisitioning a stakeholder resolution
- Requisitioning a stakeholder meeting
- AGM attendance (in person)
- AGM representation (by a 3rd party)
- Voting against company management recommendations

-
- Voting against director re-election
 - Voting against auditor re-election
 - None of the above
 - Legal action (class action)
 - Letter writing
 - None of the above
 - Other / Comments
3. Which of the following engagement and escalation tools would you consider in the NEXT 1-2 years? Please check all that apply.
- Collaboration with other investors
 - Media statements – on the record
 - Media statements – off the record
 - Requisitioning a stakeholder resolution
 - Requisitioning a stakeholder meeting
 - AGM attendance (in person)
 - AGM representation (by a 3rd party)
 - Voting against company management recommendations
 - Voting against director re-election
 - Voting against auditor re-election
 - None of the above
 - Legal action (class action)
 - Letter writing
 - None of the above
 - Other / Comments
4. Which of the following types of collaboration have you LED or CO-Led in the past 1-2 years? Please tick all that apply.
5. Which of the following types of collaboration have you been involved with in the past 1-2 years? Please tick all that apply.
- Company specific
 - Thematic issues (e.g., Bribery, Climate Change, Remuneration, Pre-emption rights, etc.)

-
- Sector based (e.g., Pharma, mining, etc.)
 - Regulatory
 - None – there were no priority issues of concern in this period
 - None – we do not participate in collaborative engagements
 - N/A - we have outsourced engagement to a service provider
 - Other / comments
6. In the event of a difference of views about a stewardship-related course of action, for example a voting decision, engagement action, escalation or exit decision, who has the FINAL say?
- Chief Investment Officer
 - Chief Executive
 - Head of Research
 - Proxy Committee
 - Head of Governance/Stewardship
 - Portfolio Managers
 - Head of ESG
 - None of the above
 - Other / Comments
7. How has your use of collaborative engagement changed in the PAST 1-2 years?
- It has increased
 - Stayed the same
 - It has decreased
 - Other / Comments
8. How do you think your use of collaborative engagement will change in the NEXT 1-2 years?
- It will increase
 - Stay the same
 - It will decrease
 - Other / Comments
9. What other regulatory or good/best practice initiatives does your organisation participate in? Please select all that apply.
- TCFD

-
- IIGCC
 - PRI
 - Transition Pathway Initiative
 - Investor Forum
 - Climate Action 100+
 - Pensions for Purpose
 - Impact Investing Institute
 - Workforce Disclosure Initiative
 - 30% Club Investor Groups
 - Net-Zero Asset Managers Initiative
 - Paris Aligned Investment Initiative
 - The Diversity Project
 - None of the Above
 - Other (please specify)

Monitoring and reporting

1. Do you set objective for your stewardship activities?

- Yes
- No
- Not applicable
- Please add any information you think is relevant

2. Do you currently keep records of your engagement activities?

- Yes
- No
- Not applicable
- Please explain your approach to records and audit trails, for example, how are records made available across the team, how do you monitor milestones, etc?

3. In respect of EQUITIES, when conducting stewardship or engagement activities with investee companies, WHO tends to be your primary point of contact? Please check all that apply.

- Board Chair

-
- Committee Chair
 - Senior Independent Directors
 - Other Non-Executive Director
 - Company Secretary
 - Financial Director
 - CEO
 - Investor Relations – In-house
 - Corporate Broker
 - Remuneration Consultant
 - Proxy Solicitor/Investor Relations – External
 - CSR/Sustainability Officer
 - Corporate Treasurer of the issuer
 - None of the above
 - Other (please explain)

4. In respect of FIXED INCOME, when conducting stewardship or engagement activities with investee companies, WHO tends to be your primary point of contact? Please check all that apply.

- Board Chair
- Committee Chair
- Senior Independent Directors
- Other Non-Executive Director
- Company Secretary
- Financial Director
- CEO
- Investor Relations – In-house
- Corporate Broker
- Remuneration Consultant
- Proxy Solicitor/Investor Relations – External
- CSR/Sustainability Officer
- Corporate Treasurer of the issuer

-
- None of the above
 - Other (please explain)
5. How has the quality of engagement between investors and issuers changed because of the Stewardship Code.
- Very much better
 - Moderately better
 - Stayed the same
 - Moderately worse
 - Very much worse
 - Other (please specify)
6. What do you see as the most significant BARRIERS to stewardship reporting?
- Data quality platforms
 - Technology
 - Client demand too much
 - Client demand too little
 - Privacy
 - Time taken to produce reports
 - Lack of agreed standards
 - Too many competing standards
 - None of the above
 - Other / Comments
7. Do you proactively solicit feedback from clients about their stewardship views?
- Yes
 - No
 - No – but considering
 - No – not planning to
8. Do you enable you clients to over-ride or influence voting or stewardship decisions?
- Yes – completely
 - Yes – partially
 - No – but considering

-
- No – not planning to
 - Comment

9. How frequently do you monitor your external stewardship service providers? (for example, investment consultants, engagement services, proxy voting or specialist data providers)

- Annual reviews
- Quarterly reviews
- We don't formally monitor
- Please describe your approach to monitoring

10. Do you receive independent review and assurance of the application for your stewardship approach for example by an auditor? Check all that apply.

- Yes – internal audit
- Yes – external audit
- Yes – independent consultant
- No
- Comment

11. How frequently do you seek assurance?

- Annually
- Biennially
- Three yearly
- N/A - we do not review
- Other (please explain)

12. Has this approach changed in the past 1-2 years?

- Yes
- No
- Please describe any changes

Legal and regulatory environment

1. How important is it for your organisation to be a signatory to the Stewardship Code?

- Very important
- Important
- Somewhat important

-
- Not at all important
 - Please explain why
2. If it is "Somewhat Important", "Important", or "Very Important", what are your reasons for this? Please check all that apply.
- Client requirement
 - Market expectation
 - Good practice
 - Fiduciary duty
 - Regulatory Guidance
 - N/A - it is not at all important
 - Comments
3. Of the industry or regulatory initiatives that your firm is involved with, please can you rank the TOP 3 in order of influence on your stewardship practices.
- TCFD
 - IIGCC
 - PRI
 - Transition Pathway Initiative (TPI)
 - Investor Forum
 - Climate Action 100+
 - Pensions for Purpose
 - Workforce Disclosure Initiative
 - 30% Club Investor Groups
 - Net-Zero Asset Managers Initiative
 - Paris Aligned Investment Initiative
 - Impact Investing Institute
 - The Diversity Project
4. Do you experience any legal or regulatory barriers to Stewardship?
- Yes: Regulatory
 - Yes: Legal
 - No

-
- Not sure
 - None of the above
 - Please explain, adding evidence or references/links where possible

Conclusion

- Thank you for sharing your views about the UK Stewardship Code. Your answers and insights will be used to monitor effectiveness and inform the development of the Code.
- Do you have any additional comments that you think would be helpful?

Asset owner survey

Welcome

Thank you for agreeing to participate in the FRC's stewardship survey. Before you begin, please can you confirm that you have read the information for participants, and please confirm the following:

- I consent to be a participant in this voluntary study and understand that I can withdraw from the research at any time up until September 2021, without supplying a reason.
- I understand that the information I provide will be used for research publications and that my answers will be anonymised unless otherwise agreed.
- I understand that any personal identifiable information (name, email address etc) will be kept confidential and not shared with anyone except the research project team.
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About you

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2. What is your age?
 - 18-29
 - 30-39
 - 40-49
 - 50-59
 - 60-69
 - 70 or over
3. What is your gender?
 - Male
 - Female
 - Other
 - Prefer not to say
4. What is your job title?
5. What is your level of seniority?
 - C-Level (CIO, CEO, COO etc)
 - Director
 - Senior Manager

-
- Manager
 - Analyst
 - Associate

6. Which aspects of stewardship are you most involved with? Please check all that apply.

- Client Relations
- Consultant relations
- ESG Research
- Proxy Governance Research
- Portfolio Management
- Product Development
- Proxy Vote Management
- Stewardship Policy
- Compliance/Level
- Investment Analysis
- Engagement
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7. How long have you been in your role?

- <1 Year
- 1-3 Years
- 3-5 Years
- 5-10 Years
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About your firm

1. What is the name of your firm?

2. In which country is your firm headquartered?

- United Kingdom
- Republic of Ireland
- United States of America
- France

-
- Germany
 - Netherlands
 - Switzerland
 - Australia
 - Luxembourg
 - Sweden
 - Other (please specify)
3. What was your firm's total GBP AUM (in billions) across all the strategies, as at December 2020?
4. In which country is your firm headquartered?
- Equalities – Passive/Index/Quant
 - Equalities – Active
 - Fixed Income – Government Bonds
 - Fixed Income – Corporate Bonds
 - Fixed Income – Emerging Market Debt
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 - Fixed Income – Private Debt
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 - Real Estate – Fund/Fund of Fund Investment
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5. Was your organisation a signatory of the 2012 Code?

The governance of stewardship

1. Who is the most senior individual in your firm that has oversight of stewardship policies? Please choose the job title that most closely resembles your structure.
- Chair of the Board
 - CEO
 - CIO

-
- COO
 - Head of Investment
 - Head of Responsible Investment
 - Vice President
 - Portfolio Manager
 - Other (please specify)
2. Does your firm have a group(s) or committee (s) that reviews high-level stewardship policies?
- Yes
 - No
 - Other
 - If you answered Yes, what is the name of the group or committee?
3. Are there any non-executive directors or independent outside participants involved in the oversight group?
- Yes
 - No
 - Not applicable
4. How frequently are stewardship policies reviewed at an operational level?
- Quarterly
 - Semi-annually
 - Annually
 - Biennially
 - None of the above
 - Other (please specify)
5. Are your operational level stewardship policies also reviewed by your oversight group or committee?
- Yes
 - No
 - Not applicable
 - Other (please explain)
6. If yes, how frequently does your oversight committee review your policies?
- Quarterly

-
- Semi-annually
 - Annually
 - Biennially
 - None of the above
 - Other or further details

7. Have the governance structures of stewardship changed in the past 1-2 years?

- Yes
- No
- Please can you explain your change rationale and outcomes

The resourcing of stewardship

1. How many people in your organisation spend more than 50% of their time on stewardship-related activities, such as: engagement, voting, ESG research, reporting, client engagement? Please state your best approximation.

2. How have staff resources for stewardship changed over the past 1-2 years?

- They have increased significantly
- They have increased slightly
- Stayed about the same
- They have decreased

3. How do you think staff resources for stewardship will change in the next 1-2 years?

- They will increase significantly
- They will increase slightly
- Stay about the same
- They will decrease
- Please add any additional comments that may be useful

4. Which of the following stewardship activities are outsourced? Please select all that apply.

- ESG ratings
- ESG research
- Engagement: some
- Engagement: all
- Policy development

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- Proxy voting (wholly)
 - Proxy vote management (administration)
 - Proxy governance research
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 - None of the above
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5. What is your total 2021 budget in GBP in Research and Data in the investment process, including broker research? Enter "unknown" if this data is not available.
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 - Other (please specify)
8. How do you expect the overall research budget to change in the next 1-2 years?
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 - Increased slightly
 - Stayed the same
 - Decreased
 - Other (please specify)
9. How do you expect the overall research budget to change in the next 1-2 years?
- AI/data algorithms
 - Issuer meetings: broker engaged
 - Issuer meetings: proxy solicitor/IR managed
 - Company disclosures
 - Data providers: ESG specialists
 - Data providers: general
 - Index providers

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- NGO Research
 - Proxy governance research (Proxy advisers)
 - Self-side (broker) research
 - Trade/membership associations
 - Training
 - None of the above

10. How does your organisation incentivise the effective integration of stewardship throughout the investment process? Please select all that apply.

- Financial incentives
- Organisation-wide policy
- Role-specific performance objectives
- Team-specific policy
- No incentives
- None of the above
- Other (please explain)

Activities, processes, and outcomes

1. Please describe your voting policy

- Bespoke (custom)
- Off the shelf (standard)
- Other / Comments

2. Which of the following engagement and escalation tools have you used in the PAST 1-2 years? Please check all that apply.

- Collaboration with other investors
- Media statements – on the record
- Media statements – off the record
- Requisitioning a stakeholder resolution
- Requisitioning a stakeholder meeting
- AGM attendance (in person)
- AGM representation (by a 3rd party)
- Voting against company management recommendations

-
- Voting against director re-election
 - Voting against auditor re-election
 - None of the above
 - Legal action (class action)
 - Letter writing
 - None of the above
 - Other / Comments
3. Which of the following engagement and escalation tools would you consider in the NEXT 1-2 years? Please check all that apply.
- Collaboration with other investors
 - Media statements – on the record
 - Media statements – off the record
 - Requisitioning a stakeholder resolution
 - Requisitioning a stakeholder meeting
 - AGM attendance (in person)
 - AGM representation (by a 3rd party)
 - Voting against company management recommendations
 - Voting against director re-election
 - Voting against auditor re-election
 - None of the above
 - Legal action (class action)
 - Letter writing
 - None of the above
 - Other / Comments
4. Which of the following types of collaboration have you LED or CO-Led in the past 1-2 years? Please tick all that apply.
5. Which of the following types of collaboration have you been involved with in the past 1-2 years? Please tick all that apply.
- Company specific
 - Thematic issues (e.g., Bribery, Climate Change, Remuneration, Pre-emption rights, etc.)

-
- Sector based (e.g., Pharma, mining, etc.)
 - Regulatory
 - None – there were no priority issues of concern in this period
 - None – we do not participate in collaborative engagements
 - N/A - we have outsourced engagement to a service provider
 - Other / comments
6. In the event of a difference of views about a stewardship-related course of action, for example a voting decision, engagement action, escalation or exit decision, who has the FINAL say?
- Chief Investment Officer
 - Chief Executive
 - Head of Research
 - Proxy Committee
 - Head of Governance/Stewardship
 - Portfolio Managers
 - Head of ESG
 - None of the above
 - Other / Comments
7. How has your use of collaborative engagement changed in the PAST 1-2 years?
- It has increased
 - Stayed the same
 - It has decreased
 - Other / Comments
8. How do you think your use of collaborative engagement will change in the NEXT 1-2 years?
- It will increase
 - Stay the same
 - It will decrease
 - Other / Comments
9. What other regulatory or good/best practice initiatives does your organisation participate in? Please select all that apply.
- TCFD

-
- IIGCC
 - PRI
 - Transition Pathway Initiative
 - Investor Forum
 - Climate Action 100+
 - Pensions for Purpose
 - Impact Investing Institute
 - Workforce Disclosure Initiative
 - 30% Club Investor Groups
 - Net-Zero Asset Managers Initiative
 - Paris Aligned Investment Initiative
 - The Diversity Project
 - None of the Above
 - Other (please specify)

10. Is stewardship part of your RFP processes?

- Yes
- No
- Not currently but considering it
- Comments

11. How important is your asset managers' stewardship approach when awarding mandates?

- Extremely important
- Very important
- Somewhat important
- Not so important
- Not at all important

12. How do you expect this to change in the next 1-2 years?

- Increase in importance
- Stay the same
- Decrease in importance

-
- Comments

Monitoring and reporting:

1. Do you set objective for your stewardship activities?

- Yes
- No
- Not applicable
- Please add any information you think is relevant

2. Do you currently keep records of your engagement activities?

- Yes
- No
- Not applicable
- Please explain your approach to records and audit trails, for example, how are records made available across the team, how do you monitor milestones, etc?

3. How has the quality of engagement between investors and issuers changed as a consequence of the Stewardship Code?

- Very much better
- Moderately better
- Stayed the same
- Moderately worse
- Very much worse
- Other (please specify)

4. What do you see as the most significant BARRIERS to stewardship reporting?

- Data quality problems
- Technology
- Member demand: too much
- Member demand: too little
- Privacy
- Time taken to produce reports
- Lack of aged standards
- Too many competing standards

-
- None of the above
 - Other/Comments

5. What do you see as the most significant BARRIERS to stewardship reporting?

- Yes
- No
- No – but considering
- No – not planning to
- Comment

6. How frequently do you monitor your external stewardship service providers (for example, investment consultants, engagement services, proxy voting or specialist data providers)?

- Annual Reviews
- Quarterly Reviews
- We don't formally monitor
- Please describe your approach to monitoring

7. Do you receive independent review and assurance of the application of your stewardship approach, for example by an auditor? Please check all that apply.

- Yes – internal audit
- Yes – external audit
- Yes – independent consultant
- No
- Comment

8. How frequently do you seek assurance?

- Annually
- Biennially
- Three yearly
- N/A – we do not review
- Other (please explain)

9. Has this approach changed in the past 1-2 years?

- Yes
- No

-
- Please describe any changes

Legal and regulatory environment

1. How important is it for your organisation to be a signatory to the Stewardship Code?
 - Very important
 - Important
 - Somewhat important
 - Not at all important
 - Please explain why
2. If it is "Somewhat important", "Important" or "Very Important", what are your reasons for this. Please check all that apply.
 - Trustee requirement
 - Market expectation
 - Good practice
 - Fiduciary duty
 - Regulatory guidance
 - N/A – is it not at all important
3. Of the industry or regulatory initiatives that your organisation is involved with, please can you rank the TOP 3 in order of influence on your stewardship practices
 - TCFD
 - IIGCC
 - PRI
 - Transition Pathway Initiative (TPI)
 - Investor Forum
 - Climate Action 100+
 - Occupational Pensions Stewardship Council
 - Pensions for Purpose
 - Impact Investing Institute
 - UN-Convened Net-Zero Asset Owner Alliance
 - 30% Club Investor Groups
 - Workforce Disclosure Initiative

-
- Paris Aligned Investment Initiative
4. Have you amended your Investment Strategy Statement or Statement of Investment Principles in the past 12 months?
5. If you answered YES and you have changed your SIP or ISS what elements have been introduced. Please tick all that apply.
- Climate change (generally)
 - TCFD
 - Transition Pathway Initiative
 - ESG – positive impact
 - ESG – negative/exclusions
 - Impact investment
 - Other asset classes
 - Stewardship
 - Sustainable development goals
 - None of the above
 - Other/comment on/describe the changes
6. Do you experience any legal or regulatory barriers to Stewardship?
- Yes: Regulatory
 - Yes: Legal
 - No
 - Not sure
 - None of the above
 - Please explain, adding evidence or references/links where possible

Conclusion

- Thank you for sharing your views about the 2020 UK Stewardship Code this will greatly assist in the monitoring and development of the Code.
- Do you have any additional comments that you think would be helpful?

Interview guide

Introduction

- Brief introduction of the research project and participant's role in the project
- We have six key general themes we'd like to discuss, relating to processes of:
 - Governance of Stewardship
 - Resourcing of Stewardship
 - Asset Allocation and Geographical Coverage
 - Stewardship Activities, Processes and Outcomes
 - Stewardship Monitoring and Reporting; and
 - Legal/Regulatory Environment/Context

Ensure confidentiality and anonymity

- Reiterate that this interview is confidential and anonymous.
- Ask permission to record the interview
- Let the respondent know that it is possible to stop the recording at any time.
- Any questions?

START RECORDING

- Perhaps we can start by you sharing a bit about your background, your role and responsibilities here. What **team** do you work with (governance/stewardship/RI/investment)? Whom do you **report to**?
- What motivated you to take on this role?

Governance of stewardship

Please describe your approach to governance of stewardship. (AM/AO)

- **Why** has your organisation applied to become a signatory to the Stewardship Code (2010/20)? (E.g. clients expect it / it is important for us to demonstrate our credentials / we believe it is important)
- Describe the processes for **tendering/market testing**?
 - For AM: To what extent does your approach to stewardship impact tenders? How important is this to clients? Has the importance of stewardship to clients/ICs changed in the past years?
 - For AO: how and to what extent you include stewardship as a criterion in RFPs and assessing asset managers' proposals? Has the importance of stewardship changed when evaluating tenders in the past X years?
- In your organisation, are there **boundaries** between Stewardship and Investment Management? How would you describe them? Where does one end and the other begin?

- Has your **understanding/interpretation** of the Code **changed** (as practitioners) over time? How?
- How does Stewardship **operate on a day-to-day basis**? To what extent are **other departments** and investment teams involved in stewardship? Which departments? How do different teams work together – including different investment teams (strategies/asset classes)?
 - **Dynamics of Relationships:** allocation of stewardship responsibilities; interaction between teams/departments; conflicts of interests (question(s) to reflect on surveys' responses)
 - **Prompting Questions:** Whether stewardship responsibilities are shared between teams/departments or split (and if so, how is this managed)? The most senior person in the organisation with **stewardship oversight/accountability** – how much authority/influence do they have vs portfolio managers/who really has the decision-making power? Is it collegiate, is it the PM? Do meetings with companies take place with PMs? Do stewardship/ESG teams join these meetings? Equity/debt teams joining? Analysts and PMs?
- How is **governance** and **oversight** of day-to-day stewardship activities are carried out?
 - Which governance committees or similar review the work, how is success judged, whether and how is assurance used. Internal review/internal audit/external review/external audit?
- Are there any **examples of conflicts of interest** your organization has identified when it comes to Stewardship activities? If so, how are conflicts of interest addressed in this particular case?
- Thinking about Stewardship [perhaps broadly or perhaps a more specific aspect, as you deem appropriate], can you tell me about a time when there was **internal disagreement** on a significant issue? How was it addressed?
 - Who has ultimate investment – decision making for example if a stewardship engagement does not produce the desired result?
- **What changes**, if any took place in 2020 or are planned in respect of your approach to **carrying out** and **overseeing** Stewardship? For instance, is the interaction between your teams different? Is the allocation of day-to-day operation and monitoring of stewardship different?
- Does your approach to Stewardship and Governance differ from others? Where is it similar and where is it different?
- What are the **challenges** (real and perceived) **and opportunities** in applying the Stewardship Code 2020? Could the **effectiveness of the Code** be further enhanced? Please elaborate and provide specific examples and/or suggestions.

Resourcing of stewardship

Please describe your organisational approach to the resourcing of stewardship activities (internal and external resources; incentive structures).

- What is the **rationale** behind your approach to **resourcing**? How are they allocated?
- Has anything **changed** over the last 12 months?
- Are there any areas of resourcing that are **decreasing or increasing**? If, yes, why?
 - Has there been a **change** in your approach to **Staff Training? Career progression? Recruitment? Skills and experience sought?**
 - Has there been any change in the use of Performance **Rewards** to incentivise a better exercise of stewardship? Is there any other aspect of resourcing that has been changed over the last 12 months?

- In addition to internal resources, has the level of **external** resourcing changed over the last 12 months?
 - Has there been a **change** in use of **external service providers** (proxy voting advisors, ESG data providers)?
 - AO: Has there been a **change** in use of **investment consultants**?
 - What is **your understanding of their role? Expectations**?
 - How are external actors **monitored**?
 - What is the extent to which the Code has had an impact on this?

Asset allocation and geographical coverage

Please describe your asset allocation and geographical coverage.

- To what extent is stewardship is focused on any particular (**geographical**) **regions** and/or **assets other than equity**? Any **changes** following the 2020 Code?
 - To what extent do you adopt a single company-wide approach or does your approach differ on a fund/departmental/divisional basis? Where there are differences, and what causes these (structural? cultural? practical?)
- What are the **differences in approach** or strategy, if any between active vs Index, pooled vs segregated mandates, institutional vs retail? **Rationale** for this approach?
- Are there **limitations in practicing stewardship in other markets/geographies**? Explain.
- Were there any **changes** in the asset class and geographical scope of stewardship that took place in 2020 or are planned, and the extent to which the Code has had an impact on this?

Activities, processes, and outcomes

Please describe your stewardship activities and processes and the rationale behind it?

- AO/AM: Please talk us through your stewardship activities.
- How do you **prioritise** your stewardship activities?
- Have there been any **changes** in how your organization thinks about and carries out stewardship activities that have taken place in 2020 or are planned, and the extent to which the Code has had an impact on this?
 - What type of changes? Are there **different areas where your practice might have changed** e.g.any changes in how you practice engagement, your approach to ESG, the way you exercise rights including voting activity?
- What are you doing **more of or less** of than before?
- Do you think that SC has made **engagement** easier or more difficult? If so why and how? Can you give **an example of a change** in you approach to engagement over the past 12 months?
- Has your **approach to escalation** changed over the past 12 months (or since you signed up to the SC – the way this Q will be framed will depend on whether the interviewee was a signatory to the SC 2010/12)?
- Has your approach to **voting** changed over the past 12 months (or since you signed up to the SC – this will depend on whether the interviewee was a signatory to the SC 2010/12)? How? Why?

- What is the extent to which your organisation participates in **collaborative engagement** and how do you select which initiative to participate in? Industry initiatives? **Examples?**
 - **Probing Questions:** Do you expect your AMs to engage collaboratively? Do you engage with specific issuers directly? Do you take part in wider initiatives? What role do you play?
 - How collaborative engagement practices have **changed over time**? Are you participating in **more or less than before** and why?
- Have there been any **changes** to the way you identify and respond to **systemic risks** such as climate change. Examples of specific activities? Integration with ESG?
- So far you have identified a series of changes over the past 12 months or since you signed up to the Code. Have these changes contributed to any **improved outcomes** over the past 12 months? If, yes, can you give us an example?

Monitoring and reporting

Please describe how you monitor and report on your stewardship activities

- How do you define engagement? Is there a differentiate between **'monitoring/fact finding'** and **'engagement for change'**?
- How the AM/AO **track engagements** and **monitoring** of voting activity – for example the categories of data that are recorded and the processes for recording and validating that data. For AM: How do you **collect and record** your data for both engagements and voting? (anecdotal/systematic?)
- Whether and How AOs have changed how they **set objectives** for AMs and **monitor performance**. For example, the inclusion of stewardship in tenders and mandates.'
- Please describe the **information flow between AM and AO**? How do you seek **feedback** and report on feedback?
- Which **overall information** about stewardship activity is provided **from AM to AO**
 - **For AOs:** which information/disclosures do you find useful and how do you use this information? Which areas do you not find helpful or not use? How can they be improved?
- How do you assess **good/better/best** in respect of Stewardship?
 - How do you **measure success**? How is it recorded? How do you know when you've been successful? Have you **changed** the way you do this?
- Were there any **changes to** the way AMs and AOs **collect, report and use stewardship data** for events that took place in 2020 or are planned, and the extent to which the Code has had an impact on this?
 - If yes, has the **new apply-and-explain** approach any impact on this change?
 - Can you give examples of whether there have been any **changes** in the way you consider and monitor stewardship **outcomes**?
 - How can the SC 2020 have an impact?
 - What are your views on SC **enforcement**? What are the **challenges**?

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- How do you view the **usefulness of different forms of stewardship/responsible investment reporting** you produce (including regulatory, best practice and voluntary reporting)?
 - Are any **forms more useful** to your organisation (and if so, why/how)?
 - [A question asking about the difficulty & resource in reporting to different Codes, frameworks and voluntary reports vs perceived benefit?]
 - How do you view the **relevance and usefulness** of the required reporting for the Stewardship Code?
 - Which do you see as the **most useful aspects of Stewardship Code** reporting for your clients/beneficiaries?
 - Are there aspects of reporting to the Stewardship Code you view as not being useful for your clients/beneficiaries?

Legal/regulatory environment/context

- In terms of importance and credibility, where does the Stewardship Code sit in relation to other **mandatory regulation and other best practice initiatives** (such as PRI, TCFD, and campaigning initiatives by NGOs or special interest groups such as ClimateAction 100, Investor Forum, IIGCC etc.)?
- Are changing stewardship practices (here the interviewer can link back to previous discussion about changes) attributed to the SC alone? Are these changes due to the broader regulatory environment?
- [If any] What are the **challenges of having to follow a multi-layer regulatory framework**?
- [If time permits] What do you consider to be your **fiduciary responsibility**? (AO/AM)

Conclusion

- Is there anything else you would like to add? Anything that I haven't ask that is important?
- Do you have any questions?
- Thank you for your time.

SWITCH OFF RECORDING

List of participants

	Organisation Type	Size	Location	Indicative Positions
1	Asset Manager	Small	UK	Head of Corporate Governance
2	Asset Manager	Medium	UK	Corporate Governance Manager Responsible Investment Analyst
3	Asset Manager	Small	Non-UK	Executive Director Head of Compliance
4	Asset Manager	Medium	UK	Head of Responsible Investment
5	Asset Manager	Small	Non-UK	Chief Compliance Officer
6	Asset Manager	Medium	UK	Head of Stewardship Head of Global Stewardship
7	Asset Manager	Large	Non-UK	Managing Director Corporate Governance, Analyst Head of Stewardship
8	Asset Manager	Small	UK	Head of Sustainable Investment
9	Asset Manager	Large	Non-UK	Lead Investment Stewardship Analyst Head of Investment Stewardship
10	Asset Manager	Medium	UK	Head of Corporate Finance & Stewardship
11	Asset Manager	Large	Non-UK	Head of Investment Stewardship Global ESG Director
12	Asset Manager	Small	UK	Head of Stewardship

13	Asset Manager	Medium	Non-UK	Corporate Manager
14	Asset Manager	Large	UK	Head of Responsible Investment and Governance
15	Asset Manager	Large	Non-UK	Client Relationship Director
16	Asset Manager	Large	UK	Head of Responsible Investment Research and Stewardship
17	Asset Manager	Small	UK	Head of Stewardship
18	Asset Manager	Medium	UK	Global Responsible Investment Manager Global Head of ESG Investments Senior Manager, Global Responsible Investment
19	Asset Owner	Large	UK	Head of Responsible Investment
20	Asset Owner	Large	UK	Senior Investment Manager
21	Asset Owner	Small	UK	Head of Responsible Investment
22	Asset Owner	Medium	UK	Head of Responsible Investment
23	Asset Owner	Large	UK	Investments Stewardship
24	Asset Owner	Large	UK	Stewardship Manager
25	Asset Owner	Large	UK	Stewardship Manager, Investment Stewardship & ESG Head of Investments
26	Asset Owner	Large	UK	Head of Investments
27	Asset Owner	Large	UK	Head of Legal, Compliance and Operational Risk Chief Investment Officer Chief Executive Officer



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