



Corporate Governance and Stewardship  
Financial Reporting Council  
8th Floor  
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26 March 2019

### **Proposed Revision to the UK Stewardship Code**

Dear Codes and Standards team,

NEST is pleased to have the opportunity to respond to the 2019 consultation on the Stewardship Code. Thank you for the clear documents supporting the revisions. We found them most helpful.

In our view, the Stewardship Code you are proposing marks a major step towards putting stewardship at the heart of investment organisations. The engagement we have had with you during the past 12 month has been most helpful and we fully support the proposed Code.

To briefly summarise our views, we believe the closer tie to the UK Corporate Governance Code is correctly; as is the focus on signatories purpose, objectives, and governance. We support the broader view you have taken about stewardship, the application to more types of investor, and the greater emphasis on accountability to clients and beneficiaries.

From the outgoing Code we support the removal of tiering, not continuing with the Principle on reporting, and the shift away from the predominant focus on conformance and the narrow interpretation of stewardship.

While we do believe there are one or two ways in which the proposed 2019 Stewardship Code could be sharpened, with so much of the Code being new we feel that those matters should wait for a future revision.

We do hope that you find our response helpful. Please do not hesitate to reach-out to us if you would like additional explanation.

Yours faithfully,

Mark Fawcett,  
Chief Investment Officer

Diandra Soobiah,  
Head of Responsible Investment