

**Sir Peter Gershon CBE FREng  
Chairman**

28 March 2019

Corporate Governance & Stewardship  
Financial Reporting Council  
8th Floor  
125 London Wall  
London EC2Y 5AS

Dear Sir

**CONSULTATION ON REVISED STEWARDSHIP CODE**

I served as a member of the Advisory Panel to Sir John Kingman for his Review of the FRC, and it is in this capacity that I am writing in response to your request for comments on the proposed revisions to the Stewardship Code.

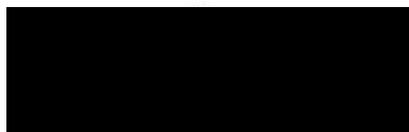
In particular I wish to address Question 7 in your consultation document. I consider the proposed Code revisions fall very substantially short of addressing the relevant Kingman Review recommendation. Sir John explicitly set out that the revised Code should focus on outcomes and effectiveness, not on policy statements.

Despite this the proposed Code focusses on the latter, instead of the former. There are too many principles, provisions and detailed requirements on disclosure.

The innovative idea in the Consultation document of an Annual Activities and Outcomes Report has the potential to meet Sir John's emphasis on the need to focus on outcomes and effectiveness. It is regrettable that the FRC has spent very little effort on developing this promising idea. Experiences in other areas of public reporting (annual reports, disclosures on the Modern Slavery Act) shows that these catalyse the emergence of, for example, inter-company rankings and the recognition of best practice. These help raise reporting standards and stimulate innovation.

As the Government has clearly signalled its strong support for Sir John's recommendations and the revised Stewardship Code will be the first significant output since the Review was published I would urge the FRC to make it a beacon for the future outputs from the regulator that will replace the FRC.

*Yours faithfully,*



c.c. Sir Win Bischoff, FRC Chairman  
Sir John Kingman, Chairman, Legal & General plc