



The UK Stewardship Code: Disclosure Statement

Stewardship is defined by the FRC as ‘the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.’ The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.

To become a signatory to the Code, organisations are required to submit to the FRC a Stewardship Report demonstrating how they have applied the Code’s Principles in the previous 12 months. The FRC assesses the report and if it meets their reporting expectations, the organisation is listed as a signatory to the Code. Once listed, organisations are required to report annually in order to continue as signatories.

Brown Advisory’s inaugural 2022 application to become signatories to the UK Stewardship Code was approved in February 2023 and our report can be found [here](#).

As prescribed by the FRC, the Code comprises a set of 12 ‘apply and explain’ Principles for asset managers and asset owners:

1. Signatories’ purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
2. Signatories’ governance, resources and incentives support stewardship.
3. Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first
4. Signatories identify and respond to market-wide and systemic risks to promote a well- functioning financial system.
5. Signatories review their policies, assure their processes and assess the effectiveness of their activities.
6. Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.
7. Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
8. Signatories monitor and hold to account managers and/or service providers.
9. Signatories engage with issuers to maintain or enhance the value of assets.
10. Signatories, where necessary, participate in collaborative engagement to influence issuers.
11. Signatories, where necessary, escalate stewardship activities to influence issuers.
12. Signatories actively exercise their rights and responsibilities.



Brown Advisory is fully supportive of the Financial Reporting Council's commitment to promoting stewardship in the industry and we will submit revised reports annually, addressing the FRC's expectations, in order to continue signatories to the Code.