

Jackson Rowland
Director, Aotearoa New Zealand Stewardship Code

30 October 2026

Dear Mr Rowland,

Subject: ICGN response to the 2026 review of the Aotearoa New Zealand Stewardship Code

The International Corporate Governance Network (ICGN) appreciates the opportunity to respond to the 2026 review consultation on the Aotearoa New Zealand Stewardship Code (the Code).

Led by investors responsible for assets under management of over US\$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our global membership is based in more than 40 countries. ICGN's [Global Governance Principles](#) and [Global Stewardship Principles](#), written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

We welcome the review and the analysis of four years of signatory reporting. We are pleased that the Code has been benchmarked against our Global Stewardship Principles, alongside the UK, Australian, Japanese and Singaporean frameworks, and that the review aims to keep the Code aligned internationally.

This letter sets out our general comments, followed by our comments on each of the draft Principles and their implementation, and our responses to the questions in the consultation paper.

General comments

A principles-based approach

- ICGN supports the principles-based approach and the 'comply or explain' basis for reporting, as it allows signatories to apply the Code in a way that reflects their circumstances, provided they explain any departures. This is consistent with our Global Stewardship Principles, which state that "significant deviations to code provisions should be meaningfully disclosed taking account of the investor's unique circumstances, business model and investment strategy". Reporting should focus on disclosure quality rather than quantity.
- We note the renaming of "Requirements" as "Core Expectations". The consultation paper states that this makes no change to what must be disclosed. We ask that the Code states this clearly, so that Core Expectations remain the baseline that signatories report against, and that any departure from them is explained. This is consistent with our Global Stewardship Principles, which expect significant deviations from code provisions to be meaningfully disclosed.
- We note that the indicative timeline on the Code's website anticipates a move from 'comply or explain' to 'apply and explain' in 2027. The consultation does not address this, and the revised draft continues to refer to 'comply or explain'. As the revised Code will apply from 2027, we ask that the review clarifies whether this move is still planned and, if so, how it would apply.

International alignment

- We support the aim of the review to keep the Code aligned internationally, as this is helpful for signatories reporting in several jurisdictions and reduces duplication. We

ask that the Code also allows reporting that covers more than one code. In particular, we suggest alignment with the UK Stewardship Code on how material change is determined, for interoperability (Principle 8).

Comments on the draft Principles

Principle 1: Be committed

We welcome the Code's references to signatories' fiduciary duties, including the expectation that signatories explain how their investment philosophy guides their approach to stewardship and supports their fiduciary duties. We also support a clearer link between stewardship and fiduciary duty. This is consistent with our Global Stewardship Principles, which state that "stewardship is a fundamental aspect of an investor's fiduciary duty". We recognise that in New Zealand the scope of fiduciary duty is a matter of law, and that the Code does not impose legal obligations. Within those limits, it would be helpful for the Code to recognise this connection more explicitly.

We welcome the continued expectation that signatories ensure that they, or their investment managers, oversee client and/or beneficiary assets in a responsible manner. We ask that signatories are encouraged to explain how they reflect stewardship expectations in manager selection, mandates and monitoring, for all stewardship activities conducted on their behalf (Principles 1 and 8). This is consistent with our Global Stewardship Principles, which ask asset owners to disclose how they delegate stewardship responsibilities in mandates, and to evaluate managers' performance periodically.

We are concerned that the draft removes the reference to the experience of relevant staff from the expectation to describe how stewardship is resourced. Together with the removal of the capacity expectation from Principle 9, this leaves no Core Expectation that signatories have appropriate capacity and experience. This no longer fully aligns with our Global Stewardship Principles, which state: "Investors should have appropriate systems, capacity (including dedicated staff, where relevant) and capabilities, to conduct effective stewardship, commensurate with their size and strategy." We ask that the Code keeps a short reference to capacity, staff and capabilities, in Principle 1 or Principle 9, scaled to each signatory's size and strategy.

Principle 2: Establish and maintain policies

We welcome the inclusion of examples of key performance indicators and other accountability measures. They will help signatories show how they track the effectiveness of their stewardship. This is consistent with our Global Stewardship Principles, which ask investors to disclose "how they monitor progress".

Principle 3: Incorporate material ESG matters

We support the cross-reference to Principle 9, as it keeps the expectation to review stewardship and sets regular review cycles. This is consistent with our Global Stewardship Principles, which ask investors to review their stewardship policies regularly, including how they identify and integrate material sustainability-related risks and opportunities.

Principle 4: Be engaged

We strongly support the new expectation to engage with policy makers, regulators and standard setters where market-wide or systemic matters affect clients and beneficiaries, as it recognises the role investors can play in addressing market-wide and systemic risks. This is consistent with our Global Stewardship Principles, which recognise that public policy advocacy "may include engaging with standard-setters, regulatory authorities, or policy-makers, where appropriate".

We welcome the new expectation in Principle 4 to report on engagement outcomes, and ask that guidance makes clear this includes policy engagement. This is also consistent with our

Global Stewardship Principles, which state: “Investors should report to beneficiaries and clients, as appropriate, on the outcomes of advocacy initiatives over time, and how these were achieved.”

We also ask that guidance distinguishes between activities, interim milestones and longer-term outcomes. Progress on collaborative engagement and policy advocacy can take several years, and outcomes cannot always be attributed to individual investors. Guidance could encourage signatories to explain their contribution, progress achieved and next steps (Principles 4, 7 and 8).

Principle 5: Vote and use ownership rights responsibly

We welcome the additional focus on ownership rights, and the expectation that signatories set out their approach to securities lending, including recall, as both help clients and beneficiaries understand how signatories use the rights available to them. This is consistent with our Global Stewardship Principles, which apply to ownership rights “across all asset classes on behalf of beneficiaries and clients”, and state: “Investors should disclose their approach to securities lending, including the process to recall shares.”

We ask that voting disclosures also cover how securities lending may have affected voting, so that clients and beneficiaries can see whether lending has affected the votes cast. This would bring the Code fully into line with our Global Stewardship Principles, which also state: “Investors should disclose how securities lending of individual shares may have affected voting activities.”

We also ask that the Code makes clear that voting records should still be published as soon as possible after the vote, not only in annual reporting. The Principle statement refers to regularly disclosing voting actions and outcomes, while the Core Expectation now refers to disclosure “in accordance with Principle 8”. This could be read as moving voting disclosure onto the annual reporting cycle. That would no longer fully align with our Global Stewardship Principles, which state: “Voting records should be publicly available on the investor’s website, as soon as possible from the date of the vote itself.”

Principle 6: Manage conflicts of interest

We believe the full policy should be published. If a summary is permitted, it should explain how conflicts are identified, assessed, and mitigated or prevented, and give the specific cases where conflicts might arise and how they would be addressed.

The draft allows signatories to disclose the Conflict of Interest Policy or a summary of it, and no longer asks them to disclose individual instances of conflicts. We recognise there may be practical reasons for this. However, it remains important that investors can see how conflicts are handled. A summary that does not explain how conflicts are handled would not fully align with our Global Stewardship Principles, which state: “Investors should publish, and regularly review, conflicts of interest policies to demonstrate how the interests of clients and beneficiaries are prioritised. Policies should explain how real or potential conflicts are identified, assessed, mitigated or prevented, and include specific cases where conflicts might arise and how they would be addressed.”

We note that signatories will still confirm each reporting period whether conflicts arose and that they were escalated and managed.

Principle 7: Collaborate and advocate for change

We welcome the recognition of collaboration on policy matters, and the option to explain where collaborative engagement is not an effective route. Collaboration can be an effective approach when considered appropriate, but the choice should rest with the investor’s judgement. This is consistent with our Global Stewardship Principles, which state that investors “may consider collaborating” with other investors and “should consider engaging in collaborative advocacy, as appropriate”.

Principle 8: Measure and report

We support separating an annual Activities and Outcomes disclosure from a Policies and Governance disclosure that stands for up to three years, or is refreshed sooner where there is material change, as this focuses annual reporting on stewardship activities and outcomes.

The draft refers several times to refreshing the Policies and Governance disclosure where there is a material change, but does not say what counts as one. We recommend that guidance gives examples, aligned where possible with the approach to material change under the UK Stewardship Code. This would help signatories apply it consistently and support interoperability between the codes.

Principle 9: Educate and improve

We welcome the consolidation of review in Principle 9, with stewardship activities reviewed at least annually and policy-level arrangements on a longer cycle, and the retained expectation to consider independent review, verification and/or assurance. This is consistent with our Global Stewardship Principles, which state: “Investors should review their stewardship policies and practices regularly (particularly engagement, collaboration, and voting) to ensure effectiveness and consider periodic external assurance.”

We do not support the removal of the expectation to have appropriate capacity, resource and experience. The consultation paper says Principle 1 covers it, but Principle 1 now asks only that signatories describe how stewardship is resourced. As set out under Principle 1, we ask that the Code keeps a short reference to capacity, staff and capabilities, in Principle 1 or Principle 9.

Implementation and guidance

We recommend a transitional first year in which signatories may publish a combined single report. This would suit the first Policies and Governance disclosure, which is published with the first report under the revised Code.

Guidance should make clear what is expected and what is suggested, focus on quality rather than quantity, and sit in a single resource. It should be developed with practitioners or through consultation, and include examples of better reporting.

We support allowing signatories to cross-refer to information that is already public. This is particularly valuable for signatories reporting in several jurisdictions. Guidance should set out appropriate use, for example a short summary within the report, so that readers have the key information in one place.

The revised Code applies from reporting periods beginning on or after 1 January 2027, and guidance and worked examples are planned for 2027. We ask that guidance is published as early as possible, with worked examples on the new elements of the Code.

Rather than ad hoc reviews, we recommend a regular review cycle for the Code, starting with a post-implementation review after the first year of reporting under the revised Code. The draft removes the set date for the next review of the Code, which the Code Governance Committee will instead review as needed. A regular cycle would give signatories and other users of the Code greater certainty.

Responses to the consultation questions

1. Do the proposed changes make the Code easier to apply, without lowering the standard?

We consider that the proposed changes will, for the most part, make the Code easier to apply without lowering the standard. We support the two-tier structure and three-year cadence (Principle 8) and welcome the additional focus on ownership rights (Principle 5).

However, the changes on conflicts of interest disclosure, the timing of voting disclosure, and capacity and capability risk lowering the standard unless they are addressed. We set these out under Question 2.

2. Are there proposed changes you disagree with, or that would be difficult for an organisation like yours to apply?

We are concerned with a number of changes and urge the review to reconsider the following areas:

- The full Conflict of Interest Policy should be published. If a summary is permitted, it should explain how conflicts are identified, assessed, and mitigated or prevented, and give specific cases (Principle 6).
- The Code should make clear that voting records are still published as soon as possible after the vote, not only in annual reporting (Principle 5).
- The Code should keep a short, proportionate reference to capacity, staff and capabilities, in Principle 1 or Principle 9.

3. What would help you implement the revised Code?

Our suggestions are set out under Implementation and guidance. In summary:

- Guidance should make clear what is expected and what is suggested, focus on quality rather than quantity, and sit in a single resource.
- Guidance should be published as early as possible, with worked examples on the new elements of the Code.
- Signatories should have a transitional first year, with the option of a combined single report.
- Guidance should give examples of what counts as a material change, aligned where possible with the UK Stewardship Code (Principle 8).
- Guidance should distinguish between activities, interim milestones and longer-term outcomes, particularly for collaborative engagement and policy advocacy (Principle 4).
- Signatories should be encouraged to explain how they oversee external managers (Principle 1).
- Guidance on cross-referring should set out appropriate use, such as a short summary of external information in the report itself.
- The Code should support international alignment, including allowing reporting that covers more than one code (International alignment).

4. Is there any other feedback you'd like to provide?

Our further comments are set out under each Principle. In particular:

- We support a clearer link between stewardship and fiduciary duty, which is consistent with our Global Stewardship Principles (Principle 1).
- We strongly support the new expectation on policy engagement, and welcome the recognition of collaboration on policy matters. Both are consistent with our Global Stewardship Principles. Guidance should make clear that reporting on engagement outcomes covers policy engagement (Principles 4 and 7).
- Voting disclosures should also cover how securities lending may have affected voting, which would bring the Code fully into line with our Global Stewardship Principles (Principle 5).
- Rather than ad hoc reviews, we recommend a regular review cycle for the Code, starting with a post-implementation review after the first year of reporting (Implementation and guidance).

Thank you again for the opportunity to share our perspective on the review of the Code. If you would like to follow up with questions or comments, please contact our Global Policy Director, Peter van Veen (peter.vanveen@icgn.org) or Policy Executive, Thomas Stables (thomas.stables@icgn.org).

Yours faithfully,



Jen Sisson

Chief Executive Officer, ICGN