

## UK Stewardship Code

Under COBS 2.2.3 of the Financial Conduct Authority Handbook, Andurand Capital Management LLP (“Andurand”) is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code (the “Code”). The new Code was published by the Financial Reporting Council (“FRC”) in 2020 and replaced the Code published in July 2010 and is a voluntary code that sets out a number of principles relating to engagement by investors with UK equity issuers.

The main changes from the previous Code relates to a redefinition of stewardship, which is more holistic and includes accounting for environmental, social and governance (ESG) factors, the formal expansion of asset classes beyond UK listed equities, focus on purpose and governance as well as more detailed reporting expectations on activities and outcomes. With regards to asset managers, there are 12 principles covering purpose and governance, investment approach as well as engagement and exercising rights.

Firms may either comply with the Code or choose not to comply with certain aspects of the Code, in which case an explanation of non-compliance is required.

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies and is to be applied by firms on a “comply or explain” basis. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not engage with companies, depending on their investment strategy, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

Andurand Capital Management LLP does not currently comply with the Code for the following reasons:

- Andurand is a private fund manager trading the global commodity universe with a primary focus on energy.
- The investment universe spans the entire commodities spectrum including energy, metal, as well as currencies but **not** equities.
- The main portion of the investment is in the form of commodity derivatives.

Should any of the above factors change, Andurand will review its commitment to the Code at that time and make the appropriate disclosure.

**Andurand Capital Management LLP**

**Published: 18 October 2012**

**Updated: 31 March 2021**