

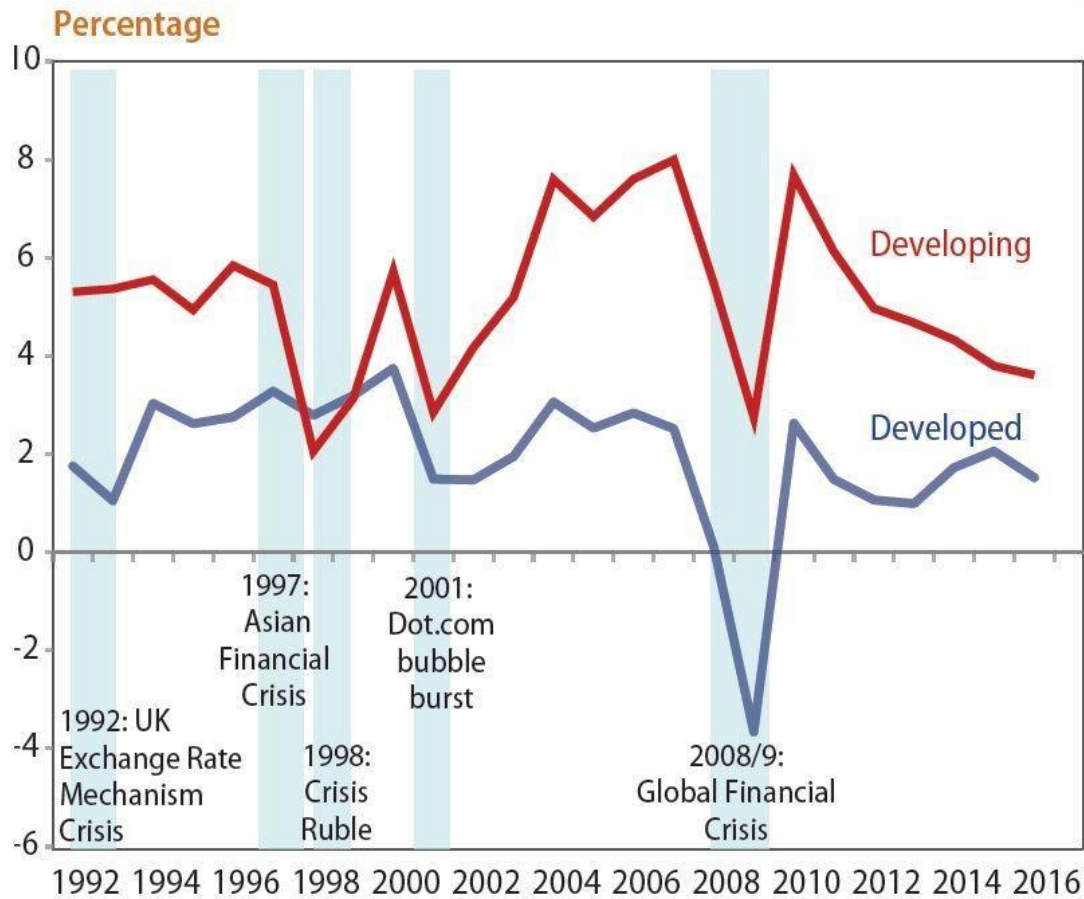


# **ASIAN CORPORATE GOVERNANCE ASSOCIATION**

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PLENARY 2 - THE RISE OF INVESTOR STEWARDSHIP IN ASIA-PACIFIC  
“ASIAN BUSINESS DIALOGUE ON CORPORATE GOVERNANCE 2022”  
THURSDAY, 10 NOVEMBER 2022, 116 PALL MALL, LONDON

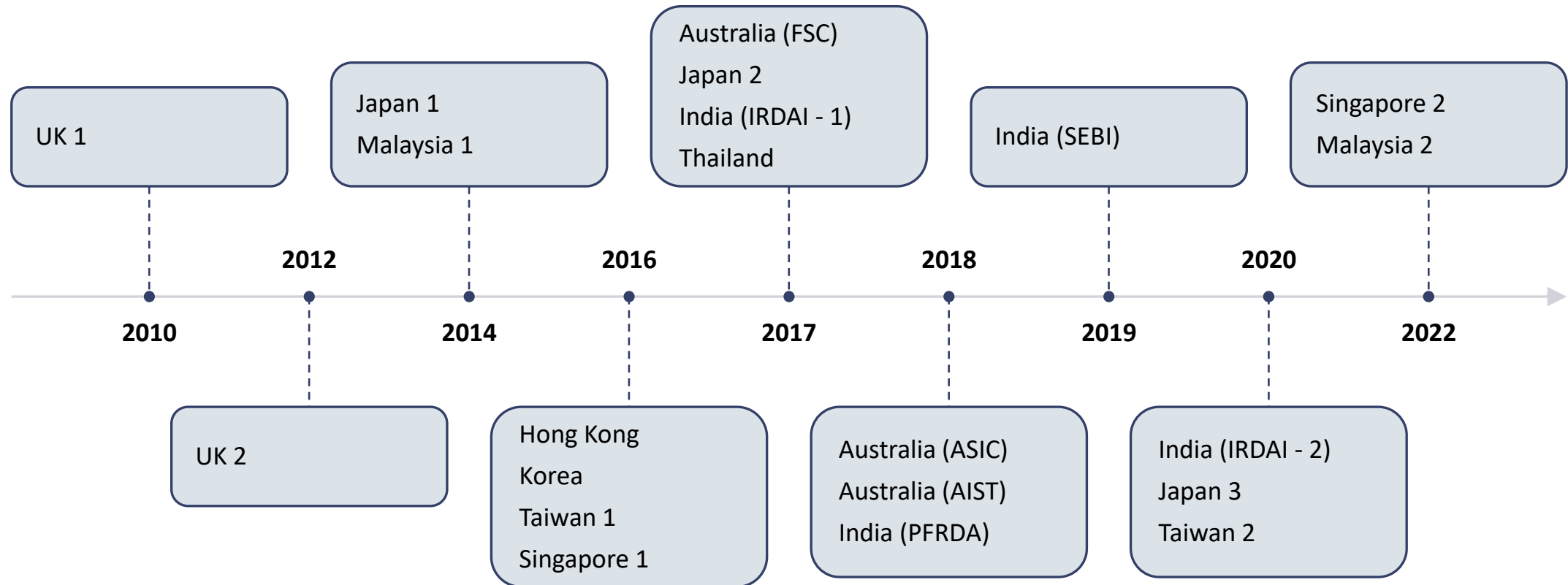
Figure 1: World GDP growth, 1998-2015



Source: UN/DESA.

## Catalyst – The Global Financial Crisis

# Stewardship Codes in Asia-Pacific, 2014 - 2022



# Stewardship before stewardship codes

State pension funds in the US began to develop policies and strategies on corporate governance. Voting shares, highlighting poor performers (CalPERS).



Superannuation (pension) funds in Australia became actively involved in corporate governance issues and voting.

Mid-2000s: ACGA members actively voting in this region.

Pension funds and asset managers in the UK started to follow suit, with voting/CG policies and active voting.

National Pension Service in Korea revised its voting policies.

Employees Provident Fund, Malaysia, published its internal CG Principles and Voting Guidelines.

Market”	“Owner”	Comply or Explain?
Japan	Financial Services Agency (FSA)	Yes
Malaysia	Institutional Investors Council (IIC)	Yes / now “apply and explain”
Hong Kong	Securities and Futures Commission (SFC)	Voluntary
Taiwan	Taiwan Stock Exchange (TWSE)	Yes
Singapore	Stewardship Asia Centre (Temasek)	Voluntary / now “strongly encouraged”
Korea	Korea Corporate Governance Service (KCGS)	Yes
Thailand	Securities and Exchange Commission (SEC)	Yes
India	IRDAI, PFRDA, SEBI	Mandatory (for mutual funds, insurers)
Australia	Financial Services Council (FSC) Australian Council of Superannuation Investors (ACSI)	Mandatory (asset managers); voluntary (asset owners)

## Stewardship codes in Asia-Pacific: Owners and application

# Trends in Asia: 2014 - 2022

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1. Most codes follow closely the structure, content, and language of the UK's 2010/12 codes.
2. Over time, codes have firmed up their language on **collective engagement** and **disclosure of voting** down to the company/AGM resolution level. Some markets have regulation on the latter (India, Korea, Thailand).
3. More explicit **focus on ESG** in recent years—in line with changes in CG codes.
4. Adoption by institutional investors and others has grown significantly in certain markets:
  - Japan: 323 (asset owners, asset managers, banks, brokers, insurers, service providers)
  - Taiwan: 153 (ditto)
  - Korea: 191 (ditto + private equity) + 52 “preliminary participants”
  - Malaysia: 38 (asset owners and managers)
  - Hong Kong: ?



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## Stewardship in action!

ACGA member visit to Sime Darby palm oil plantation, November 2015