

Stewardship Insights 2026

Stewardship is becoming more structured and process-driven, reflecting in higher average scores

Regional gaps persist: European and UK asset managers lead across all dimensions, followed by Swiss managers, with US managers trailing behind

Resources only do not guarantee quality: neither firm size nor the number of stewardship FTEs clearly correlates with higher stewardship scores, whereas explicit climate goals do

Voting and engagement priorities are not fully aligned: E and S issues are more prominent in engagement policies, while governance topics dominate voting policies

Fixed income stewardship is catching up, with more managers adopting dedicated policies, but actual practices still lag behind equity stewardship

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Introduction

Amid ongoing debates around ESG, political pushback on sustainability in some markets, and growing expectations on transparency and alignment from asset owners, the way investors use their stewardship tools is evolving. While engagement remains the backbone of most stewardship approaches, the role of voting is increasingly moving into the spotlight.

Our previous assessments showed that voting is the most heterogeneous and lowest-scoring stewardship dimension, with large differences between regions and managers, and with ESG-related voting behaviour increasingly shaped by local political and regulatory dynamics. An example of this is the continuous decline of ESG shareholder proposal support. Against this backdrop, the director vote has gained prominence. Recent proxy seasons, particularly in the US, point to a steady increase in votes against directors, as investors use board elections to express concerns over governance structures, board composition and independence, remuneration, and – increasingly – board oversight of climate and other sustainability topics. In parallel, legal challenges and procedural barriers have made it harder in some markets to file or bring shareholder proposals to a vote, leading investors to use director elections as an alternative escalation channel.

Further developments continue to shape the stewardship landscape, including the emergence of AI tools, pass-through voting solutions, and more segregated engagement models. The first asset managers have not only introduced pass-through voting but also AI-assisted proxy voting tools as a response to political pressure on proxy voting advisors and increasing demands of independence and alignment of asset owners. These innovations are, however, still relatively new and not yet applied consistently enough to allow for robust evaluation or benchmarking.

Consequently, and in line with previous years, this study provides an updated overview of developments across key stewardship dimensions (Transparency, Voting & Engagement), including trends in industry initiatives and the still less-developed area of fixed income stewardship. While we did not observe fundamental breaks with last year's assessment results, we aimed to capture incremental shifts, newly emerging topics, and areas where practice is starting to diverge.

To capture these trends, the assessment indicators have been adjusted and the methodology has been refined. The new scorecard includes more and new indicators and a different weighting scheme for the final score. We have strengthened the focus on fixed income, added a set of focus topics to reflect both our own priorities and broader market themes, and placed greater emphasis on strategy and processes and less on specific ESG topics to ensure equal treatment of asset managers from different political backgrounds. In addition, we strengthened the focus on outcomes. The revised indicators and assessment approach allow for a more holistic evaluation of stewardship activities and place the results more clearly in the context of industry standards and our own values.

The insights presented in the findings section are based on our annual stewardship assessment of asset managers and are intended to inform manager selection, oversight and engagement. The results are presented on an aggregated basis in order to highlight broader market developments and directions.

Methodology

The findings in this study are based on data from 40-50 international asset managers over the past four years, grouped into the regions* US, UK, Europe and Switzerland. Scores are calculated using a proprietary scorecard that covers numerous indicators within three dimensions: transparency & credibility, voting, and engagement. The scorecard is revised annually to reflect evolving market practice and best practice in stewardship. Each dimension is scored from 0 to 6, and the overall score is calculated as the simple average of the three equally weighted dimensions. A score of 6 represents the highest performance, 0 the lowest. Data for the indicators is collected in two ways: through public information, and via a specifically developed online due diligence questionnaire completed by asset managers. A uniform scoring methodology is then applied to both sources to derive the scores. This year, more emphasis has been placed on processes, policies and governance structures, and less focus on observable sustainability outcomes. As a result of the revised indicators, historical scores are not directly comparable on a one-to-one basis – it however is still suitable to outline trends. While the methodology aims to provide a robust and balanced framework for assessing stewardship practices across a diverse set of asset managers, it can inevitably not capture every manager's specific strengths and strategies. As stewardship strategies become more diverse, the criteria have shifted away from favouring any single style and towards rewarding sound processes and holistic stewardship approaches. To mitigate the limitations of a purely indicator-based assessment, we maintain active dialogues with asset managers to gather context, explanations and rationales. Further details on the methodology can be found on our website¹.

*Asia is not reflected in this study, as the sample size is not representative

1. <https://www.zkb.ch/de/lps/private/anlegen/stewardship.html>

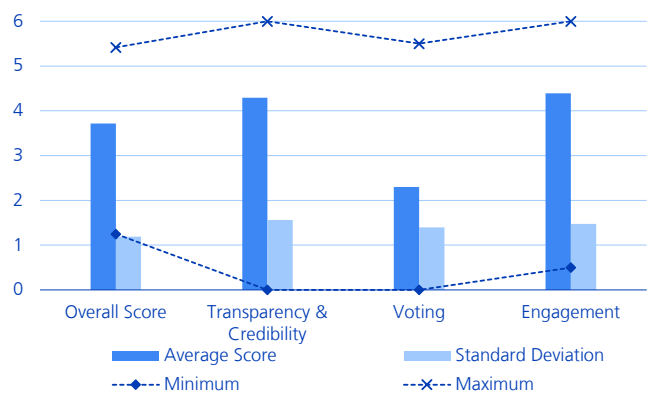
Findings

The results reveal a complex landscape and highlight key directions and emerging trends. We first explore average scores, peer comparisons and historical developments at the aggregate level, followed by a closer look at each dimension – transparency & credibility, voting and engagement – and then deep dives into specific topics and indicators.

Overall developments and observations

Chart 1 shows the average scores of all dimensions. This year’s results confirm that the voting score remains the lowest average score across the three dimensions. However, the variation between managers in the voting score has narrowed. The standard deviations of all three dimensions are now much closer to one another than in previous years, when voting showed the highest variation and engagement the lowest. Today, the transparency & credibility pillar exhibits the highest standard deviation, largely due to the changes in assessment indicators. Engagement remains the highest-scoring dimension on average. Despite the somewhat lower dispersion, voting is still the most dynamic and evolving dimension, when looking at the overall answers.

Chart 1: The voting dimension shows the lowest average score, while transparency & credibility shows the highest variation
Average stewardship scores and their standard deviation

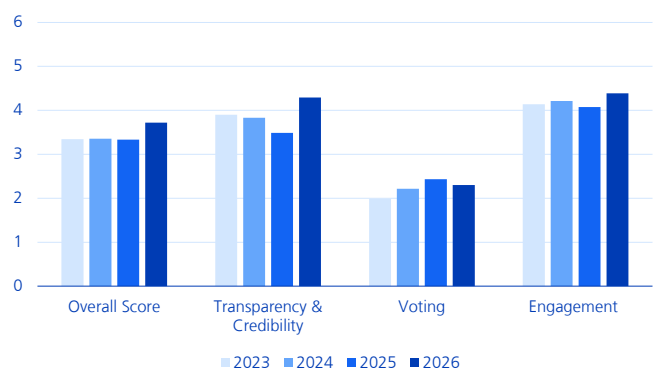


Sources: Zürcher Kantonalbank

With the new indicators, average scores increased in two dimensions (transparency & credibility and engagement) but declined in voting (Chart 2). This is driven not only by changes in asset manager practices, but also by the shift in our methodology towards processes and strategy and away from sustainability outcomes. In the voting dimen-

sion, this reorientation resulted in a slight decrease in average scores, which means that processes are not as established or changing. The focus this year was particularly on the use of voting as an escalation strategy, the quality of voting guidelines and the level of disclosure.

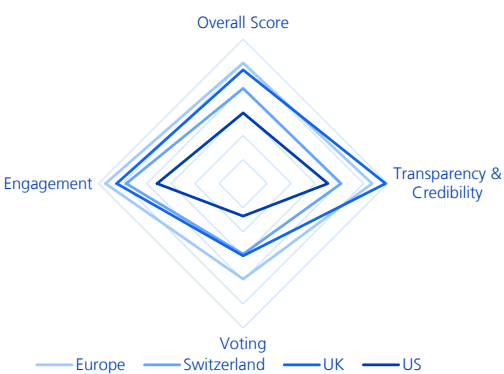
Chart 2: Scores have progressed positively across dimensions, with the exception of voting
Historical development of stewardship scores



Sources: Zürcher Kantonalbank

As in previous years, and visible in Chart 3, European and UK asset managers lead the ranking across all dimensions. This is especially pronounced in the transparency & credibility dimension. Swiss managers are positioned between their peers, while US managers clearly lag behind. This pattern continues to be shaped by differing political environments and regulatory progress across regions.

Chart 3: European and UK asset managers are leaders across all dimensions
Average scores by region

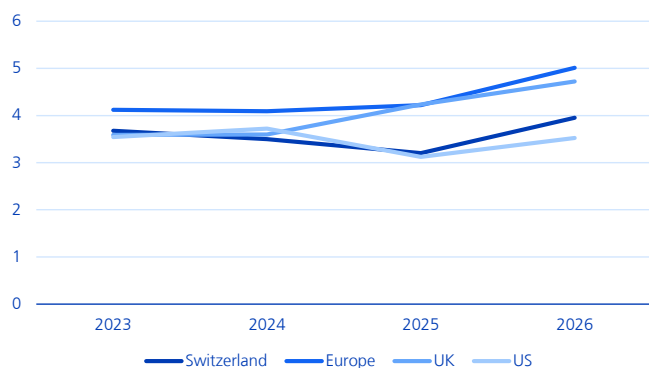


Sources: Zürcher Kantonalbank

When looking at the development of scores over time by region (Chart 4), overall scores have improved in all regions compared to last year. This is largely linked to our greater focus on stewardship strategies rather than purely on sustainability outcomes. Importantly, the relative positioning between regions has not changed: European asset managers remain at the forefront, with US managers trailing behind.

Chart 4: Stewardship scores have improved across all regions over time

Historical overall scores per region



Sources: Zürcher Kantonalbank

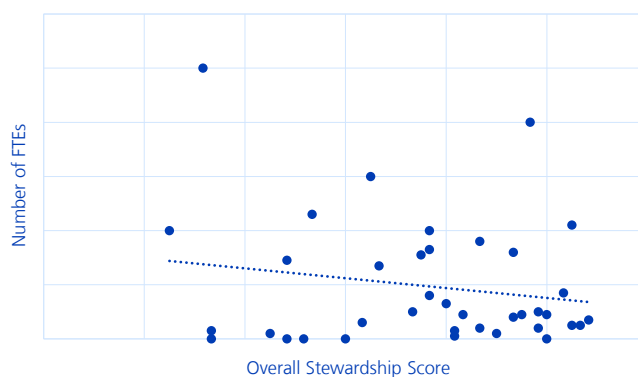
“Our analysis suggests that it is not the size of an organisation or stewardship team that drives quality, but the clarity of its objectives and the consistency with which they are implemented.”

The question of what actually correlates with higher stewardship scores arises naturally. The political and regulatory environment clearly influences stewardship strategies and activities. Last year, we observed that larger asset managers (measured by AuM) do not necessarily achieve higher stewardship scores; the correlation between size and score was weak to non-existent. This year, we tested another factor: the number of dedicated stewardship resources (FTEs) and its relationship with the stewardship score (Chart 5). The data suggests that having a larger stewardship team does not automatically translate into more advanced stewardship practices. In fact, the number of FTEs even shows a slightly negative correlation with the stewardship score. At a minimum, the data allows us to conclude that there is no clear relationship between the size of a stewardship team and a consistent and professional stewardship approach.

By contrast, our observations indicate that asset managers with explicit climate targets (net-zero or transition goals) tend to have higher stewardship scores despite the indicators mostly focusing on strategies and processes and not ESG topics. In other words, a manager’s advanced or ambitious climate strategy appears to correlate positively with our stewardship scores.

Chart 5: A bigger stewardship team does not automatically mean more advanced stewardship practices

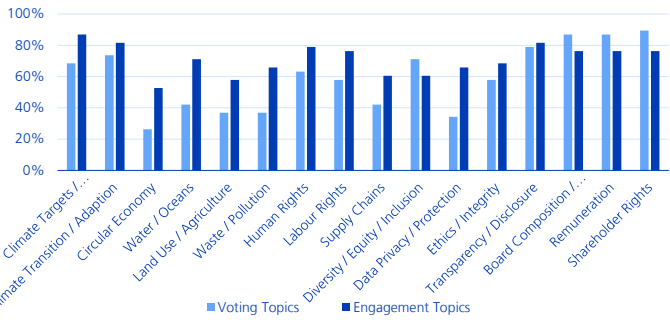
Correlation of stewardship score and dedicated stewardship FTEs of an asset manager



Sources: Zürcher Kantonalbank

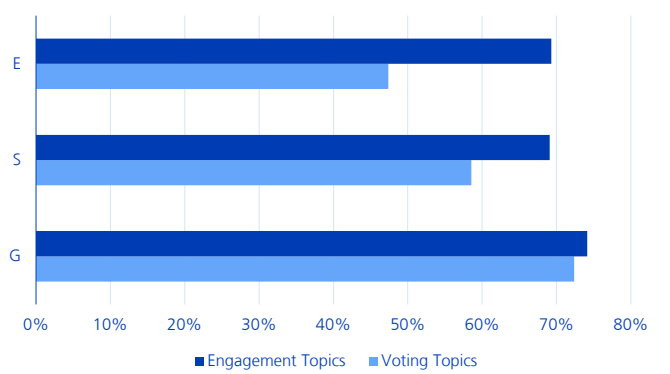
Previously, we also found that asset managers with own climate targets are more likely to engage companies on climate-related issues. This year, we also examined the focus topics in voting and engagement policies. The results show some notable differences in thematic priorities. As Charts 6 and 7 indicate, environmental and social topics tend to be more prominent in engagement strategies than in voting strategies. For governance topics, the pattern is reversed: governance issues generally receive high importance in both voting and engagement policies, with a slightly stronger emphasis on voting. This can partly be explained by the fact that escalation on environmental or social issues is often channelled through votes against directors or through decisions on board composition and remuneration.

Chart 6: E&S topics dominate engagement policies, while Governance topics are more prominent in voting policies
Priority themes after dimensions (voting and engagement)



Sources: Zürcher Kantonalbank

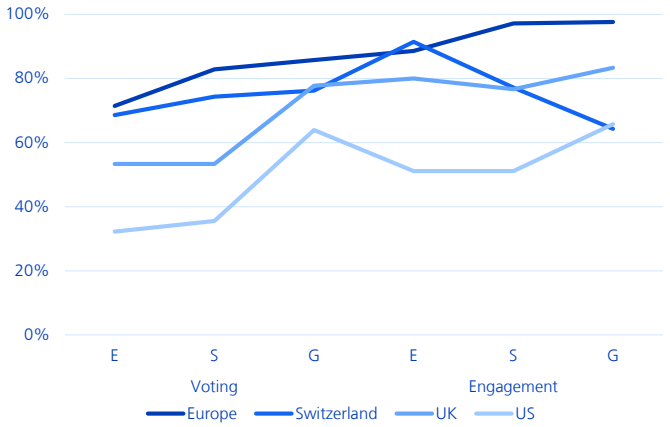
Chart 7: Voting policies often centre on Governance, while engagement policies reflect a broader mix of E, S and G themes
Priority themes separated into ESG categories and by dimension



Sources: Zürcher Kantonalbank

From a regional perspective, engagement policies place more emphasis on E and S topics than voting policies in all regions. On the governance side, weight is more balanced between voting and engagement. The regional differences in Chart 8 show: US managers generally feature fewer ESG priority topics in both their voting and engagement policies – particularly for E and S – compared with their European, UK and Swiss peers.

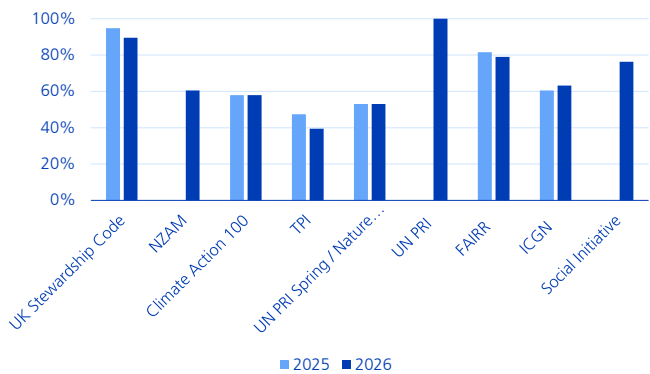
Chart 8: Regions show different priorities for ESG incorporation into voting and engagement policies
ESG priority themes in voting and engagement by region



Sources: Zürcher Kantonalbank

Dimension: Transparency & Credibility
The priority themes highlighted above are also often featured in industry initiatives. We track developments in a range of initiatives covering stewardship, climate and biodiversity, social issues and governance, with different purposes (from knowledge exchange to engagement activities). While the number of memberships had declined in previous years (partly driven by political developments in the US), overall membership levels remained relatively stable over the past year (Chart 9). For some initiatives we lack last year’s data, but the available data suggests a steady situation without widespread exits.

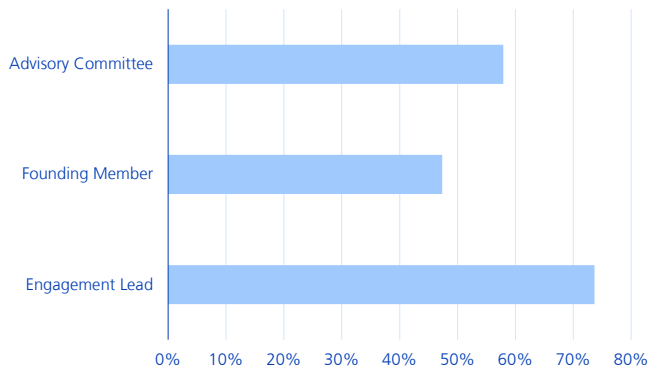
Chart 9: Memberships in initiatives remained relatively stable over the last two years, with no major exits observed
Percentage of assessed asset managers with memberships in different initiatives



Sources: Zürcher Kantonalbank

However, being a signatory or member is not the same as playing an active role. We therefore also assess whether asset managers take on active functions in initiatives. The data in Chart 10 shows that more than 50% of asset managers play an active role in at least one initiative. Many act as engagement leads in campaigns, and a significant number have employees serving on advisory committees or even as founding members.

Chart 10: Over 50% of asset managers take an active role in initiatives
Percentage of asset managers in an active function in an initiative

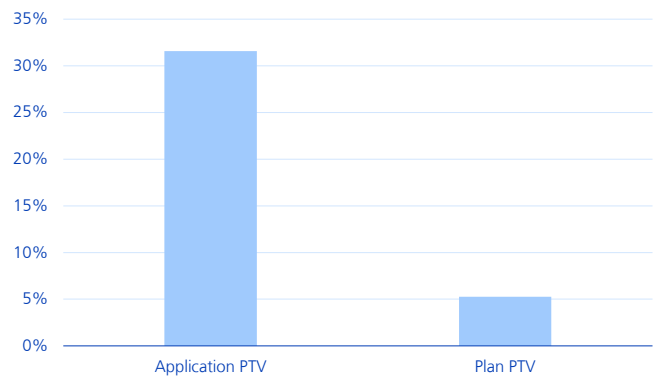


Sources: Zürcher Kantonalbank

Dimension: Voting

The voting dimension remains the most dynamic area of stewardship. Several developments have made headlines: pass-through voting and the debate around escalation processes, the decline in shareholder proposal support, the emergence of AI tools, and the increasing use of votes against directors and management. Our data shows that pass-through voting or voting choice solutions, despite considerable public attention, are still offered by only a minority of asset managers, and only a small number plan to implement such options in the near term (Chart 11). Proponents argue that pass-through voting strengthens the “democracy of stewardship” by giving asset owners a more direct voice. Critics, however, warn that it may dilute the escalation power of asset managers and lead to more fragmented stewardship efforts.

Chart 11: Pass-through voting is still offered by only a few asset managers
Percentage of asset managers that offer PTV solutions or plan to implement it

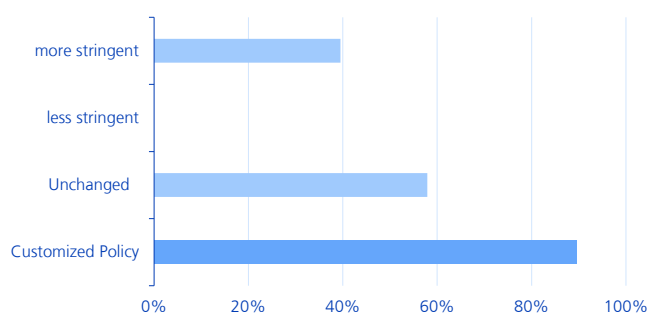


Sources: Zürcher Kantonalbank

The diversity of voting policies in the market is likely to increase further regardless of pass through voting options. Our analysis of voting policies and their evolution over the past years shows that it has become standard practice for asset managers to develop their own customised policies. Nearly all assessed managers now have bespoke policies, and only a few rely on standard policies of proxy advisors or other service providers. Interestingly, and contrary to a common narrative around “ESG backlash”, all assessed asset managers reported either no reduction in the importance of ESG in their voting policies or an increase in stringency over the past three years (see Chart 12).

Chart 12: Most asset managers have a customised voting policy that has either remained stable or become stricter in its ESG focus over the last three years

Development of asset managers' voting policies



Sources: Zürcher Kantonalbank

In terms of as an escalation tool, fewer than half of the asset managers surveyed use public pre-declarations of voting intentions, and just over one-third have filed or co-filed shareholder proposals in the last three years. Votes against management – including votes for shareholder proposals and votes against directors or specific management resolutions – have remained broadly stable compared with last year, averaging 14%. The range, however, is wide: some managers register as few as 3% of their votes against management, while others reach around 35%. Regionally, European managers show notably higher percentages of votes against management than US managers, while Switzerland and the UK display more dispersion and include both high and low levels.

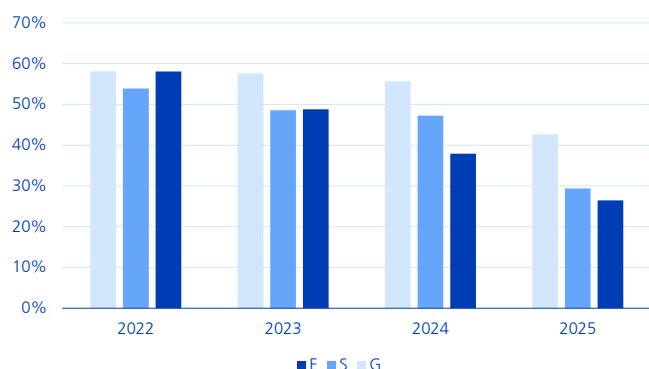
Votes against management

Votes against management have become an increasingly important tool for expressing dissatisfaction across a wide range of topics, whether governance-related or focused on environmental and social issues. They are used not only to support or oppose specific shareholder or management proposals, but also to signal broader concerns. Such votes serve as a meaningful escalation step following unproductive engagements and can have a signalling effect towards other shareholders and the wider market. They often include votes against individual directors, thereby holding them personally accountable for their remit. Many studies suggest that targeted votes against directors can be more effective than votes on general proposals, because they directly address individuals, which tends to be perceived as more sensitive. Directors are increasingly targeted for climate-related shortcomings, not only for traditional governance failures. According to many asset managers, votes against management – and particularly against directors – are now a central and legitimate escalation tool.

Regarding support for shareholder proposals, the average support rate for ESG-related proposals declined further last year, continuing an existing trend (Chart 13). Support for governance-related proposals had been relatively stable in recent years but also saw a notable decline last year. For environmental and social proposals, support has been decreasing more steadily over time, and has consistently been lower than for governance proposals – a pattern that persists this year. Reasons for this decline are mainly of political nature and sometimes also due to the rise of anti-ESG proposals.

Chart 13: Support for ESG shareholder proposals continued to decrease

Historical comparison of ESG shareholder proposal support quotas

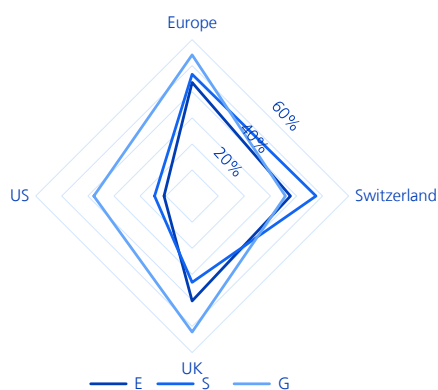


Sources: Zürcher Kantonalbank

A regional breakdown in Chart 14 shows that US-based asset managers have, by a wide margin, the lowest support rates for ESG shareholder proposals, while European managers show the highest. For governance proposals, regional differences are less pronounced, but variations in support for E and S proposals are significant. Interestingly, in Switzerland, support rates for social and environmental shareholder proposals are higher than for governance proposals – the opposite of the pattern observed in other regions. This could be due to their client's mandates.

Chart 14: Environmental and social proposals show much greater variation in support than governance proposals across regions

ESG shareholder proposal support quotas per region



Sources: Zürcher Kantonalbank

Dimension: Engagement

Engagement is gaining prominence as scrutiny of voting practices grows and engagements are reassessed. Expectations are rising around the measurement of engagement outcomes and the ability to attribute changes in corporate behaviour to specific investor actions. At the same time, there is broad consensus that engagements should be holistic across an asset manager's efforts and cover all material asset classes. In this context, fixed income engagement remains a critical but still underdeveloped component.

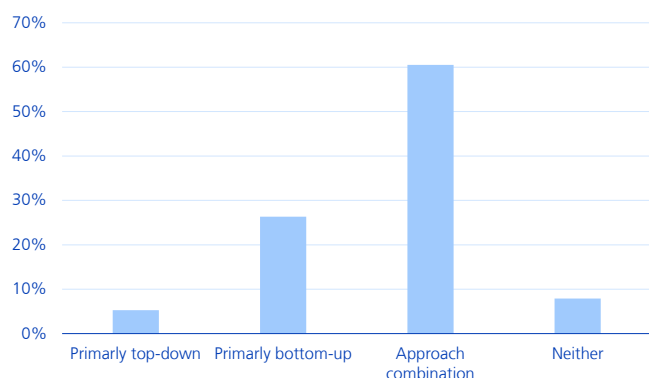
Our data shows that the asset managers in our sample manage across several asset classes, with assets relatively evenly split between equities and fixed income. On average, they hold around 38% of their total AuM in equities and almost 30% in fixed income. However, stewardship activities are often not distributed in a similar way across all asset classes.

We examined the asset class coverage of engagement activities. Notably, all managers report conducting public policy engagement. Engagement in listed equity and fixed income is also widespread and almost equally established, but private market strategies have dedicated stewardship approaches at only around one third of the assessed managers. The same holds for other alternative asset classes.

Regarding engagement approaches, most managers combine different methods and apply them depending on the situation (Chart 15). Around 60% of asset managers report using both a top-down (strategic, thematic) and a bottom-up (ad hoc, company-specific) approach. Where only one approach is used, an ad hoc (bottom-up) style is clearly favoured: only around 5% follow a purely top-down approach.

Chart 15: Most asset managers combine top-down and bottom-up approaches in their engagement conduct

Percentage of asset managers using a specific engagement approach

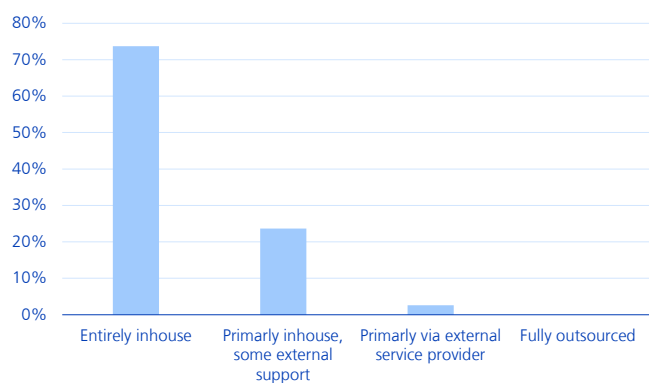


Sources: Zürcher Kantonalbank

The choice of engagement approach also raises the question of how engagements are actually carried out. According to Chart 16, more than 70% of asset managers report that they conduct engagements entirely in-house, and almost none rely exclusively on external service providers. A combined model – with most engagement done in-house but with some external support – is relatively common, especially for smaller managers or those with limited internal resources.

Chart 16: Most asset managers conduct engagement in-house, often supplemented by some external support

Percentage of asset managers using a specific engagement strategy



Sources: Zürcher Kantonalbank

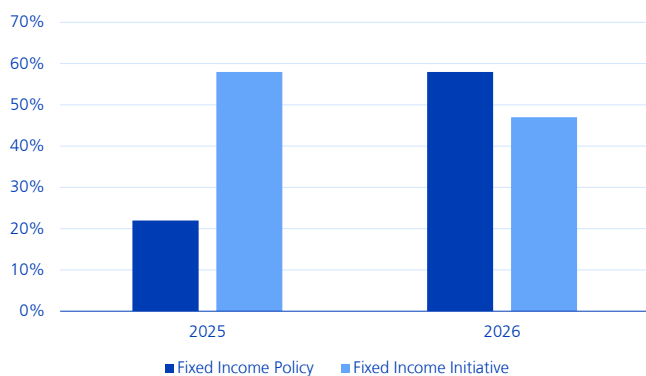
Outsourcing of stewardship activities

Outsourcing stewardship activities – such as voting, engagement and ESG research – to external providers can significantly expand an asset manager's reach and technical capabilities, especially where internal resources are limited. Specialised providers may offer deeper thematic expertise, better data and more consistent engagement across markets. At the same time, outsourcing brings risks of misalignment: priorities may drift from the asset owner's or asset manager's own beliefs, engagement can become standardised and box-ticking, and transparency over how influence is exercised may decline. Effective stewardship outsourcing therefore requires clear mandates, robust oversight and regular challenge of the provider's approach. Ultimately, responsibility for stewardship cannot be fully delegated; institutional investors remain accountable for how their capital is used to influence companies.

On the fixed income side, practices are still less advanced. Chart 17 shows, that compared with the previous year, however, a significantly higher share of asset managers have adopted a specific fixed income engagement policy, either as a separate document or as an integrated section within their overall stewardship policy. By now, almost 60% of asset managers differentiate between equity and fixed income strategies. Participation in fixed income-related initiatives has however declined slightly. The reasons are not entirely clear, but a plausible interpretation is that managers have strengthened their own internal capabilities in this area. Furthermore, due to the nature of fixed income investments, issuers can be engaged at different stages of their lifecycle, but most activity still occurs pre-issuance.

Chart 17: More asset managers now have dedicated fixed income engagement policies, while participation in fixed income initiatives has become slightly less common

Percentage of asset managers that are having a fixed income policy or a part of a fixed income initiative



Sources: Zürcher Kantonalbank

When it comes to team composition, fewer than 20% of asset managers have dedicated fixed income stewardship resources. Most fixed income engagements are handled within broader stewardship teams under the umbrella of “stewardship specialists”.

Summary

This year’s stewardship assessment confirms that stewardship practices are maturing, but also that progress is uneven across dimensions, regions and asset classes. Engagement remains the strongest pillar, widely implemented and increasingly structured, while voting continues to lag in terms of average score and consistency across managers. However, it is precisely in voting where we see the most intense innovation and debate – from pass-through voting and AI tools to the growing use of votes against directors as a core escalation mechanism.

The revised methodology, with its stronger focus on strategies and processes, has lifted aggregate scores in most dimensions and regions. Yet it has also revealed that more resources or larger size do not necessarily translate into better stewardship. Instead, clear strategic commitments – particularly around climate – appear to be more closely associated with advanced stewardship approaches.

Regional differences remain marked. European and UK managers, operating in more supportive regulatory environments, set the pace in all dimensions, with US managers constrained by political and regulatory headwinds. These differences also play out in voting and engagement policies: European managers integrate a broader set of E, S and G topics, while US managers show more limited thematic scope and lower support for ESG-related shareholder proposals.

Initiatives continue to provide important platforms for engagement and standard-setting, with memberships broadly stable and more managers taking on active roles. At the same time, asset managers are expanding their engagements across asset classes, particularly into fixed income. Nevertheless, fixed income stewardship remains less mature overall, with relatively few managers engaging systematically on bond terms or covenants.

Taken together, the findings show a stewardship landscape that is consolidating around more robust processes and clearer strategies, while also fragmenting across regions, themes and tools.

Conclusion

The developments captured in Stewardship Insights 2026 point to an important transition in stewardship: from a focus on isolated “best practice” examples to a more systematic, process-driven approach that spans asset classes and geographies. Voting, engagement and transparency are gradually becoming more important, even as political and regulatory tensions heighten scrutiny and fuel divergence between markets.

For asset owners, the implications are twofold. First, traditional proxies for quality – such as firm size, number of FTEs or membership in high-profile initiatives – are insufficient indicators of effective stewardship. A deeper understanding of managers’ strategies, focus topics and escalation practices is required, with particular attention to how climate and other systemic risks are embedded in both voting and engagement. Second, as stewardship tools proliferate – from pass-through voting to AI-enabled analysis and outsourced engagement models – questions of accountability and alignment become more critical. For asset owners, this increases both the opportunities and the complexity of selecting, overseeing and engaging with asset managers on stewardship.

Going forward, we see three priorities. Asset managers need to further align voting and engagement priorities, especially on environmental and social topics; accelerate the development of fixed income and alternative asset class stewardship; and strengthen activities and outcomes, by setting clear objectives rather than increasing their size. Asset owners, in turn, should use assessments to sharpen their expectations, challenge their managers constructively, and ensure that stewardship remains anchored in their long-term objectives and values.

Ultimately, stewardship will remain a field where progress is incremental rather than linear. High-quality stewardship requires a holistic approach underpinned by clearly defined objectives.

“A sustainable transformation of a key strategic issue that impacts systems, companies, and other organizations must be driven by a holistic stewardship approach—one that considers all levels of influence.”

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