

## Fragmentation and alignment issues undermine asset stewardship, new Pensions for Purpose report finds

**17 March 2025, LONDON:** Fragmentation in stewardship approaches and misalignment between asset owners and managers is creating inconsistencies in engagement and voting strategies, according to a new report by Pensions for Purpose. Titled *Systemic stewardship - challenges & strategies for change*, the report is sponsored by Robeco, in partnership with Border to Coast, IGG and TPT Investment Management, and was released today.

The research, based on 21 in-depth interviews with UK-based asset owners, trustees, investment consultants and others, found several challenges and opportunities for asset owners seeking to enhance their stewardship strategies.

The report identifies an inconsistency in stewardship approaches across asset owners, with significant variations in voting, engagement and accountability. Smaller funds, in particular, struggle with resource constraints, making it difficult to implement structured stewardship programmes effectively.

Ensuring asset managers adhere to asset owner priorities continues to be a major concern. Some asset owners report significant discrepancies between their intended stewardship objectives and the actual voting behaviour and engagement strategies executed by managers, leading some to conduct voting internally or through a third-party. Asset owners are also increasing the robustness of their assessment of managers' stewardship efforts. However, the lack of rigorous oversight mechanisms exacerbates these challenges, making it difficult for funds to maintain alignment with their long-term investment principles.

The report also calls for stronger governance and accountability, urging asset owners to align their stewardship strategies with systemic risks. Structured oversight and clearer communication with asset managers are seen as critical to improving accountability and ensuring stewardship efforts translate into, long-term positive impact.

Collaboration is highlighted as an essential tool for overcoming resource constraints and amplifying investor influence on systemic issues. By participating in industry-wide initiatives, asset owners can pool their expertise and resources to drive change on pressing matters such as climate change, biodiversity and broader social governance concerns.

While these challenges persist, the report also highlights promising developments in stewardship, showing progress is being made in key areas.

More asset owners are asserting control over stewardship priorities, directing asset managers and refining engagement strategies to achieve real-world impact. Industry-wide collaborations are increasingly recognised as effective mechanisms for addressing systemic challenges. Finally, investors are recognising the need to combine direct company engagement with broader policy advocacy to drive meaningful change.

**Richard Giles Senior Director & Community Lead, commented:** “The report highlights the importance of systemic stewardship in managing long-term risks. Asset owners must take a proactive approach by strengthening governance, ensuring alignment with asset managers and engaging collaboratively at an industry level.”

**Peter van der Werf, Head of Active Ownership at Robeco, added:** “Sustainability investing sits at the core of Robeco’s investment beliefs. With growing sustainability risks from climate and biodiversity for pension funds in a complex geopolitical environment, we encourage asset owners to enhance their stewardship efforts. Aligning accountability and consistency in engagement and voting by their asset managers will help to deliver this commitment to their beneficiaries.”

## **ENDS**

### **Notes to editors**

#### **About the report**

The research is based on 21 in-depth interviews with UK-based asset owners, trustees, investment consultants, asset managers, fiduciary managers and organisations such as the United Nations Principles for Responsible Investment and ShareAction. Themes emerging from these interviews include the need for clearer stewardship objectives, improved manager accountability and enhanced industry collaboration. It explores central stewardship themes, including manager performance, voting and escalation policies and engagement strategies. Seven best practice case studies are included to showcase successful stewardship initiatives and their successful outcomes.

## **Participants who gave permission for their name to be listed in our report**

### **Asset owners**

Border to Coast Pensions Partnership  
Coal Pension  
HSBC Bank (UK) Pension Scheme  
NatWest Cushon  
Nest Pensions  
now:pensions  
Smart Pension Fund  
Surrey Pension Fund

### **Trustees**

BESTrustees  
David Brown  
Independent Governance Group (IGG)

### **Investment consultants**

Hymans Robertson  
LCP

### **Asset managers and fiduciary managers**

Robeco  
TPT Investment Management

### **Other organisations**

ShareAction  
United Nations Principles for Responsible Investment

### **About Pensions for Purpose**

Pensions for Purpose exists as a bridge between asset managers, pension funds and their professional advisers, to encourage the flow of capital towards impact investment.

Impact investments are made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.

Pensions for Purpose seeks to empower pension funds to make informed, sustainable investment decisions through our member Community, training, events, Impact Lens research and unique Knowledge Centre.

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