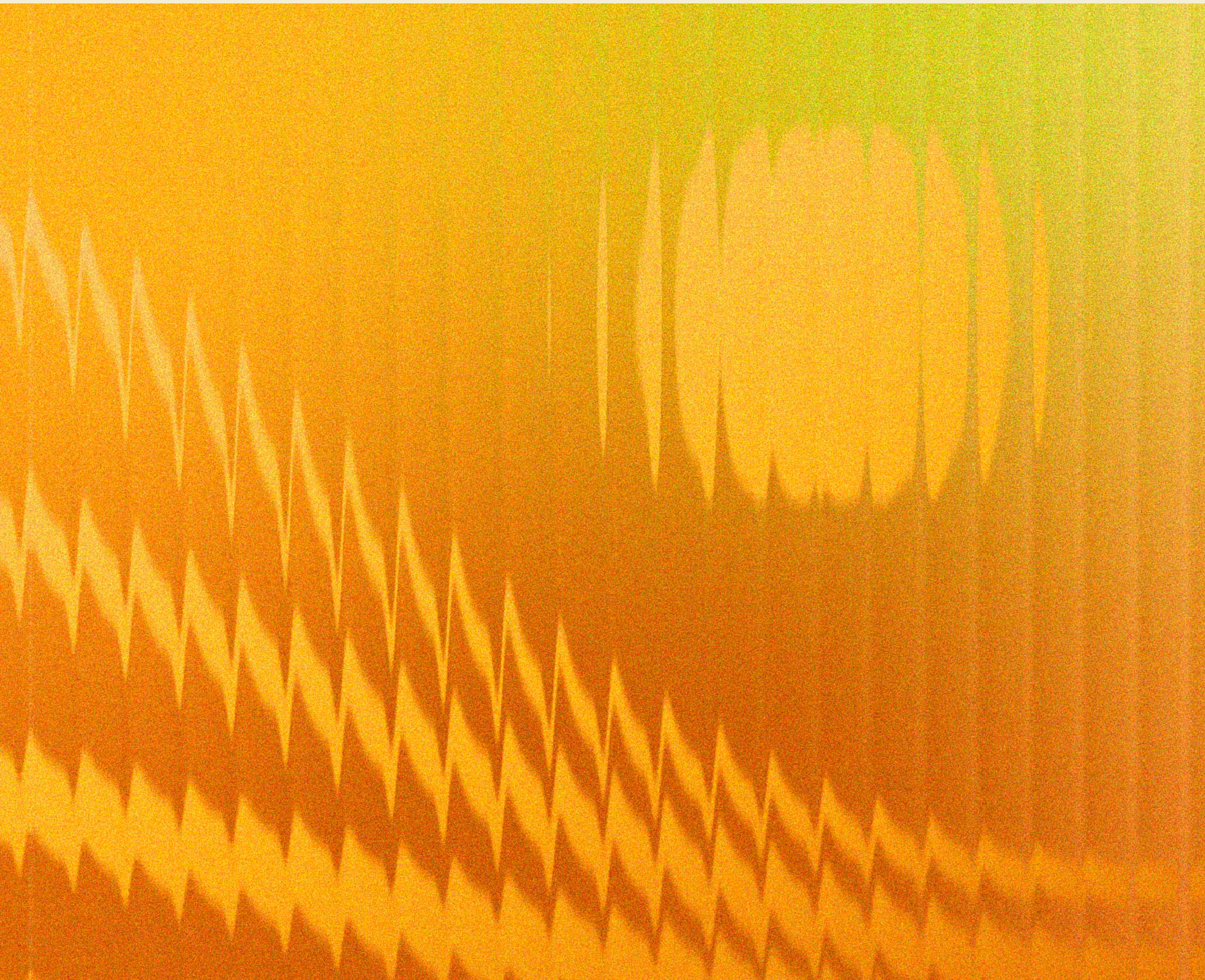
rezonanz

REPORT

Voting for the Future

Pension Policies and Practices across Six European Countries



Acknowledgements

Authors

Siyana Gurova, PhD and Eleanor Willi of rezonanz

rezonanz provides data-driven insights into institutional investors' proxy voting and engagement practices, benchmarking their impact on sustainability and corporate governance. Our platform and research enable asset owners, managers, and stakeholders to evaluate and enhance their stewardship strategies with transparent, comparative analysis.

This report is based on research funded by the Laudes Foundation. The Laudes Foundation is an independent foundation accelerating the transition to a green, fair and inclusive economy. The Foundation focuses on four key industries with an outsized impact on climate change, nature and social inequality: the built environment, finance and capital markets, fashion, and food. The findings and conclusions contained in this report are those of the authors and do not necessarily reflect positions or policies of the Laudes Foundation.

The authors thank Nando van Kleeff (Laudes Foundation) for the constructive collaboration and ongoing support, as well as Professor Emilio Marti (Rotterdam School of Management) and Ingeborg Schumacher (Responsible Impact Investing) for extensive and thoughtful reviews.

We would also like to thank all interviewees for taking the time for interviews and sharing their insights:

- David Russell, UK, Board Chair Transition Pathway Initiative; Board Member UKSIF; Former Head of Responsible Investment at Universities Superannuation Scheme
- Lindsey Stewart, CFA, UK, Director of Stewardship Research and Policy at Morningstar Sustainalytics
- Vincent Kaufmann, CH, CEO of Ethos
- Ingo Speich, DE, Head of Sustainability and Corporate Governance at DEKA Investments & DVFA Board Member
- Dr. Alexander Juschus, DE, CEO StePs - Stewardship Professionals e.V. and Managing Partner, Governance and Values GmbH
- Björn Kristiansson, SE, Partner at KANTER Advokatbyrå, Executive member of the Swedish Corporate Governance Board
- Stefan Lundbergh, SE/UK/NL, Strategic Business Development at Folksam Life, Former Supervisory Board Member at AP4 (Fjärde AP-fonden)
- Professor Rob Bauer, NL, Professor of Finance (Chair Institutional Investors) at Maastricht University School of Business and Economics and Former Executive Director of International Centre for Pension Management
- Kerrie Waring, International, Director General of the Global Chartered Governance Institute; Former CEO of the International Corporate Governance Network (ICGN)

Disclaimer

This research was commissioned by the Laudes Foundation and conducted by the research team. The views expressed in this document are those of rezonanz and do not necessarily reflect the views of the Laudes Foundation.

Table of Contents

Executive Summary

Recognizing proxy voting's pivotal role as a lever for driving sustainable change in public markets, this report offers a comprehensive analysis of how pension funds in six European countries disclose and leverage their proxy voting power. Focusing on internal transparency, voting behavior on environmental and social (E&S) proposals, the derivation of best practices in voting policies, and the influence of external regulatory frameworks, our study provides a first-of-its-kind bridge between theory and practice. The findings reveal concrete insights that can empower pension funds to drive long-term corporate transformation while mitigating systemic risks.

PART 1: DISCLOSURE GAPS AND DIVERGING VOTING PERFORMANCE

Drawing on data from 122 pension funds across the United Kingdom, Switzerland, the Netherlands, Denmark, Sweden, and Germany, the analysis uncovers significant variations in disclosure practices. Dutch funds emerge as leaders by consistently publishing both formal voting policies and detailed company-level voting records. In contrast, while UK and Danish funds show moderate levels of disclosure, Swiss and Swedish funds provide relatively high-quality voting data despite issuing fewer formal policy documents. German funds, however, display critical transparency gaps with almost no formal policy disclosures and minimal voting record details. Insights from nine expert interviews indicate that variations in fund size, fund type (public versus private), and distinct market cultures across countries are key drivers of these differences. Furthermore, by applying an innovative Bayesian methodology to the 42 funds that disclosed company-level voting records, we quantitatively assess the sustainability alignment of their E&S proxy voting choices. The results reveal that Swedish and Dutch funds consistently achieve high sustainability alignment, whereas UK funds tend to lag, with Danish and Swiss funds falling in between.

PART 2: DERIVING BEST PRACTICES IN VOTING POLICIES

Building on the quantitative findings from Part 1, we isolate the top-performing pension funds across four key E&S thematic areas—"Climate Change", "Diversity, Workers', and Human Rights", "Politics & Lobbying" and "Other Environmental & Social" issues. Through an in-depth qualitative review of their voting policies, we identify recurring best practices. These include explicit commitments to climate action (such as net-zero targets and rigorous disclosure requirements), well-defined escalation pathways for underperforming companies, and clear measures to ensure board accountability on both climate and social issues. In addition, robust diversity thresholds, transparency in lobbying activities, and policies aimed at safeguarding human rights and protecting biodiversity consistently emerge as foundational elements underpinning E&S-aligned voting. These actionable insights provide a practical roadmap for pension funds and asset managers aiming to enhance their own proxy voting frameworks.

PART 3: THE ROLE AND LIMITS OF STEWARDSHIP CODES

By comparing markets that have formal stewardship codes (the UK, the Netherlands, Switzerland) with those that do not (Denmark, Sweden, Germany), the final part of the report evaluates whether such frameworks enhance disclosure and E&S voting performance. The findings are mixed: the Netherlands exemplifies how a stewardship code can coincide with strong E&S performance, yet the UK—where the pioneering Stewardship Code originated—ranks relatively low in E&S aligned voting. In contrast, Sweden achieves high E&S voting outcomes despite lacking an official code, relying on robust market norms and legislative mandates for public pension funds. Expert interviews further underscore that stewardship codes can indeed serve as valuable templates, clarifying best practices for transparency and engagement. However, purely voluntary codes often fail to broaden stewardship beyond already-committed institutions especially when local market factors (e.g., majority-shareholder structures or cultural norms) overshadow formal guidelines.

Introduction

Pension funds managed an estimated $63.1 trillion USD[1] of the over $128 trillion USD in assets under management worldwide by the end of 2023.[2] Their long-term investment horizons and broad diversification across markets and asset classes positions them as critical players in the climate transition, which Lord Nicholas Stern has described as “the biggest and most fundamental transformation in the global economy that has ever occurred during peacetime.” As the world increasingly acknowledges the financial risks engendered by unsustainable business practices, pension funds are strategically positioned to harness their ownership rights to guide companies toward more responsible practices. Despite recent ESG-related challenges in asset management, the importance of sustainability considerations amongst asset owners continues to gain traction: according to Morningstar, more than two-thirds (67%) of asset owners surveyed in August 2024 believed that ESG has become “more” or “much more” material to their investment process in the last five years (Morningstar 2024).

Academic research has long affirmed the influential role of pension funds in corporate governance. Early studies by Del Guercio and Hawkins (1999) and Gillian and Starks (2000) highlighted their effectiveness in shaping corporate policies and monitoring managerial decisions. More recent work has demonstrated their potential to advance environmental and social objectives, showing that pension funds can drive meaningful reductions in corporate emissions (Kim et al., 2019) and facilitate investments in corporate social responsibility (DesJardine et al., 2023). In addition, Wang et al. (2021) found that pension funds can improve firm transparency in sustainability reporting, mitigating companies’ concerns that ESG efforts may face resistance from other shareholders. These findings suggest a significant role for pension funds in driving sustainability outcomes, as such actions often align with their fiduciary duty to address climate-related risks over the long term.

Given that pension funds are constrained by fiduciary duties to their beneficiaries, not all responsible investment approaches are equally appropriate. In contrast to divestment from “brown” companies or concentrating in best-in-class “green” companies, both of which can create heightened concentration risks, a stewardship strategy allows a pension fund to remain broadly invested while using its ownership rights to advocate for improvements in corporate sustainability performance.

What is Stewardship?

Stewardship, in the context of institutional investment, refers to the active and responsible management of capital to promote the long-term success of investee companies. Two primary mechanisms underpin this concept:

Proxy Voting: Pension funds and other institutional investors possess the right to vote at company shareholder meetings on matters such as electing board members, approving executive pay packages, and adopting climate-related resolutions. By casting these votes or delegating them with clear guidelines, investors shape corporate strategies and governance practices (Barko et al., 2022; Broccardo et al., 2022), ensuring they remain aligned with both risk-adjusted returns and broader societal interests. In addition to voting

1 Source: https://www.wtwco.com/en-us/news/2024/02/global-pension-assets-rebound-past-usd-55-trillion

2 The top 500 global asset managers managed a total of $128 trillion at the end of 2023. https://www.wtwco.com/en-hk/news/2024/10/worlds-largest-investment-managers-see-assets-hit-dollar-128-trillion-in-return-to-growth

on agenda items set by management, many investors also actively submit shareholder proposals to bring attention to important environmental, social, or governance issues that may otherwise be overlooked. While shareholder proposals are not possible in all countries, the process serves as a direct channel for institutional investors to influence corporate behavior and drive meaningful change.

Engagement: Beyond voting, stewardship also involves dialogue and collaboration with company management and boards (e.g., McNulty & Nordberg, 2016; Marti et al., 2024). Engagement can range from private discussions on specific ESG issues to investor-led initiatives that—while undertaken independently—collectively promote expanded disclosures or policy changes (see Dimson et al., 2021). Well-designed engagement initiatives encourage companies to address environmental, social, and governance risks proactively, often before they escalate into crises that erode long-term value.

In recent years, stewardship activities have gained momentum as both academics and practitioners increasingly view them as the most promising avenue for investor impact in public markets (Kölbel et al., 2020; Majoch et al., 2017; Hoepner et al., 2018). Other responsible investment strategies - such as divestment or investing in best-in-class “ESG leaders” - often have limited influence on corporate decision-making, whereas stewardship aims to steer existing portfolio companies toward more sustainable and responsible practices from within. While the academic consensus suggests that asset managers, by virtue of their proximity to active investment decisions and the threat of exit, may be well-positioned to engage company managers effectively (Chuah et al., 2024), pension funds wield substantial leverage through sheer size, broad diversification, and long-term investment horizons. These attributes can enable them to vote in ways that mitigate systemic risks while driving long-term value.

Amid mounting pressure to minimize fees and maintain broad diversification, many pension funds are shifting toward passive strategies: an approach that relies heavily on systematic index-tracking rather than more resource-intensive stock-picking. In this context, voting emerges as a particularly cost-effective mechanism for making a fund’s voice heard across potentially hundreds or thousands of portfolio companies. While effective stewardship integrates voting, engagement, and escalation, resource constraints often limit pension funds’ ability to engage deeply with each investee firm. Consequently, proxy voting becomes a powerful channel for passive investors, allowing them to support environmental and social initiatives—or withhold support for board members at lagging companies—at a scale that can influence corporate behavior. By exercising their votes strategically, even investors with limited resources can use their voting rights to push for meaningful reforms in areas like climate risk, diversity, and human rights, further aligning asset management practices with beneficiaries’ long-term interests.

Although the lion’s share of proxy votes address governance issues, environmental and social (E&S) proposals have steadily gained traction in recent years. Despite a dip from record highs in 2021, median support for E&S shareholder proposals among Russell 3000 companies in 2024 stabilized at 21% and 18%, respectively—roughly in line with the previous year’s figures (Financial Times, 2024). This trend indicates that, even if momentum has ebbed, a persistent core of investors continues to support E&S proposals at company general meetings.

Existing research has *often overlooked* how pension funds vote on environmental & social proposals

Yet existing research has often overlooked how pension funds vote on E&S proposals, despite their potential to drive meaningful corporate change. This gap is especially pressing as several prominent asset managers backtrack on their ESG commitments, while pension funds—increasingly aware of the fiduciary imperatives of responsible investing and active ownership—have signaled sustained interest in E&S issues (Financial Times, 2025). In this context, proxy voting is not merely a procedural necessity; it is a powerful mechanism for pension funds to amplify their influence on corporate environmental and social performance.

Against this backdrop, this report investigates key dimensions of pension funds' proxy voting activities by examining their internal transparency, the execution of voting on E&S proposals, the derivation of best practices in voting policies, and the role of external regulatory frameworks in shaping these outcomes.

First, we examine a fundamental aspect of pension funds' stewardship: disclosure. Specifically, we assess whether pension funds publish formal voting policies and provide company-level voting records that enable stakeholders to track their voting behavior. In addition, we investigate the factors that drive differences in these observed disclosure practices. Thus, we address the following interrelated questions:

1A. How transparently do pension funds disclose their voting policies and voting outcomes? What are the potential drivers behind the observed disclosure patterns?

Once we have mapped the current state of disclosure and identified potential drivers, we turn to the core of pension funds' influence—their actual voting choices on E&S-relevant proposals. In this stage, we examine whether the voting behavior of the disclosing funds reflects a genuine commitment to sustainability. This leads us to ask:

1B. How do pension funds vote on E&S-relevant proposals, and to what extent do their voting patterns reflect a commitment to sustainability?

Building on these findings, we then focus on best practices in proxy voting policies. Drawing on the voting results from Part 1, we identify the top-performing pension funds in each of four key thematic E&S areas and examine how their voting policies may serve as best practices for others. In doing so, we address the question:

2. What best practices can we derive from the voting policies of the top-performing pension funds?

Finally, recognizing that internal practices do not operate in isolation, we explore the role of external regulatory frameworks in shaping proxy voting behavior. In particular, we examine whether the presence of a formal national stewardship code further enhances transparency and sustainability-aligned voting outcomes, addressing the question:

3. Does the presence of a formal national stewardship code enhance transparency and voting outcomes?

Taken together, these questions capture a continuum that begins with assessing internal disclosure, progresses through an evaluation of actual voting behavior and the identification of best practices in voting policies, and concludes by examining whether external stewardship codes can reinforce or elevate these practices.

> We focus on *six European countries*—the UK, Switzerland, the Netherlands, Denmark, Sweden, and Germany

To answer them, we focus on six European countries—the United Kingdom, Switzerland, the Netherlands, Denmark, Sweden, and Germany—that represent large and influential pension fund sectors. Furthermore, these countries were chosen because their mature and diverse pension systems coupled with distinct regulatory and cultural environments offer a unique opportunity to examine how both internal practices and external stewardship frameworks shape proxy voting behavior. In addition, these markets offer a well-grounded comparison given that three of them (the UK, the Netherlands, and Switzerland) have officially established stewardship codes, while the remaining three (Denmark, Sweden, and Germany) do not. By examining parallel developments in code-adopting and non-code jurisdictions, we gain deeper insights into whether formal stewardship commitments correlate with more transparent or sustainability-aligned voting.

Report Structure

Part 1 provides a comprehensive analysis of internal voting practices. In Part 1A, we map disclosure patterns by analyzing data from 122 pension funds across six European countries, examining whether these funds publish formal voting policies and detailed company-level voting records. This section not only highlights the variation in transparency between markets, but also explores the potential drivers—such as fund size, type, and market culture—behind these disclosure practices, drawing on insights from nine expert interviews. In Part 1B, we evaluate the actual voting behavior of the 42 funds that provide granular voting data using the rezonanz Voting for Sustainability methodology. This quantitative analysis assesses to what extent these funds align their proxy voting on E&S proposals with sustainability objectives, while revealing variations in performance across different markets and E&S thematic areas.

Part 2 focuses on best practices in voting policies. Building on the quantitative results from Part 1, we narrow our analysis to the top-performing pension funds—those in the top quartile across four key thematic E&S areas: "Climate Change", "Diversity, Workers', and Human Rights", "Politics & Lobbying" and "Other Environmental & Social" issues. Through a detailed qualitative analysis of the latest voting policies from these leaders, we extract specific provisions, recurring themes, and actionable language that underpin their strong sustainability performance. This section provides concrete recommendations and practical examples that illustrate how well-crafted voting guidelines can drive sustainable voting behavior, offering a roadmap for other pension funds seeking to enhance their proxy voting frameworks.

Part 3 examines the role of external regulatory frameworks—specifically, national stewardship codes—in influencing pension funds' disclosure and voting practices. By comparing markets with formally established stewardship codes (the UK, the Netherlands, and Switzerland) to those without (Denmark, Sweden, and Germany), we explore whether these external standards enhance transparency and foster sustainability-aligned voting behavior. Drawing on academic literature and further insights from expert interviews, this section critically assesses whether stewardship codes serve as effective anchors for responsible voting or whether other contextual factors are more influential.

Together, these three parts provide a robust, multi-layered analysis of the factors that drive effective stewardship. They offer insights into how internal practices, best practice guidelines, and external frameworks interact to shape proxy voting behavior, with the ultimate aim of enhancing sustainability performance and long-term value creation.

Part 1: Disclosure Patterns and Voting on Environmental and Social Proposals

Questions Addressed

- What is the current state of pension funds' disclosure practices regarding both voting policies and voting records in the focus markets, and what are the key drivers behind these patterns?
- How do the pension funds that disclose their voting records vote on E&S-relevant proposals, and to what extent do these voting patterns reflect a genuine commitment to sustainability?

Introduction

In today's rapidly evolving investment landscape, transparency in pension fund practices is essential for fostering accountability and driving responsible corporate governance. Stakeholders increasingly demand clarity not only on the formal voting policies that guide pension funds' decisions but also on the actual votes cast at company meetings especially when these decisions impact environmental and social (E&S) outcomes. To address these concerns, our analysis in Part 1 is structured around two key research questions.

> We investigate the current state of disclosure practices across *a sample of 122 pension funds*

First, we investigate the current state of disclosure practices across a sample of 122 pension funds operating in six European markets: the United Kingdom, Switzerland, the Netherlands, Denmark, Sweden, and Germany. This analysis maps how consistently these funds publish both formal voting policies and detailed company-level voting records. By examining variations in disclosure and by drawing on insights from nine expert interviews we explore potential drivers for the observed disclosure patterns.

Building on this foundation, we then focus on the subset of pension funds that do disclose their voting records. For these 42 funds, we employ the rezonanz Voting for Sustainability methodology—an advanced statistical framework—to quantitatively analyze their voting behavior on E&S-relevant proposals.[3] This approach allows us to assess how effectively these funds integrate sustainability into their proxy voting choices and to identify leaders in E&S voting—a first-of-its-kind analysis that brings much-needed transparency to the voting behavior and commitment to sustainability of pension funds.

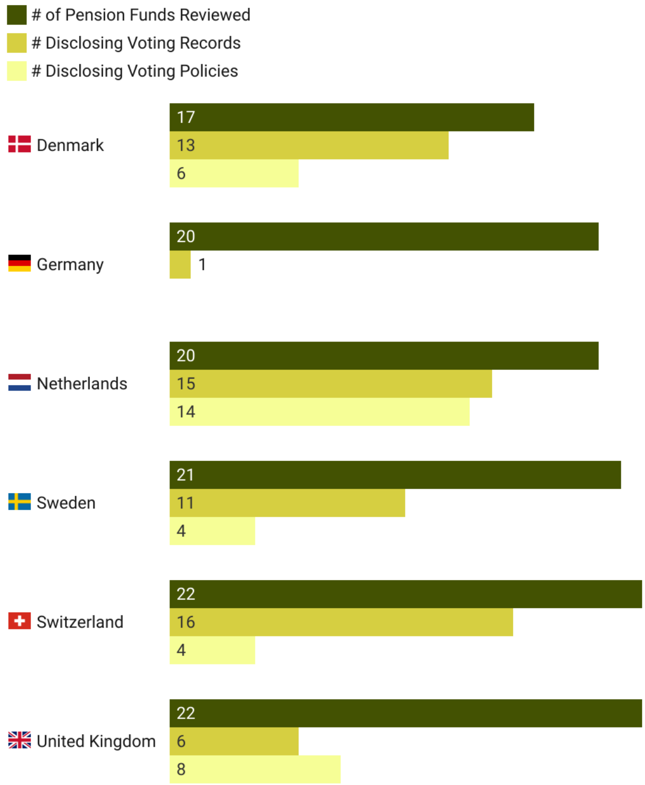
By integrating both disclosure and voting behavior analyses, this section lays a robust empirical foundation for the report. It not only illuminates the current landscape of pension fund transparency but also sets the stage for identifying best practices and understanding the broader impact of external stewardship frameworks in subsequent sections.

3 For more information on the Voting for Sustainability methodology visit https://www.rezonanz.io/benchmarking

Part 1A: Current Disclosure Patterns

Part 1A examines how pension funds across our six target markets communicate their voting practices by disclosing formal voting policies and company-level voting records. In this section, we describe our approach to assembling a diverse sample of 122 funds—from large national schemes to smaller and mid-sized funds—and outline the systematic process we used to gather and analyze publicly available documents. The disclosures analysis that follows establishes a critical baseline of transparency in responsible investment practices, which is essential for understanding the broader landscape before we move on to analyze the actual voting behavior of the disclosing funds.

Figure 1: Disclosure Patterns by Country



Case Selection & Data Collection

In order to manage the breadth of available information across six countries, our approach entailed a purposive sampling of pension funds designed to capture a broad spectrum of disclosure practices and organizational sizes. Recognizing the impracticality of surveying every pension fund, we targeted a case universe of around 20 funds per market. The case selection process began by identifying the ten largest funds in each country based on assets under management. Building on this initial group, we then selected an additional ten small and mid-sized pension funds to ensure that our sample reflects the full diversity of pension fund disclosure practices.[4] This two-step approach, centered on size as the primary selection criterion, resulted in a sample of 122 funds across the six markets. The full list of pension funds we reviewed can be found in Appendix A1.

For each pension fund in our sample, we systematically gathered detailed disclosures on their responsible investment practices by thoroughly reviewing their websites and accessing and collecting all relevant publicly available documents. Our focus was on determining whether these funds disclose a formal voting policy and disclose their voting records at the company level. Beyond simply recording the presence of these policies, we collected the actual voting policies and company-level voting records. This comprehensive collection of materials provided a solid foundation for the descriptive analysis below and for the statistical analysis in Part 1B of this report.[5]

Our approach prioritized funds that provided granular, company-level disclosures over those offering only aggregate reports, as the latter do not permit a detailed

4 Our two-step approach involved first identifying the ten largest funds in each market using assets-under-management data from national regulatory filings and industry rankings capturing the most influential actors and then selecting an additional ten small and mid-sized funds from publicly available databases and financial reports.

5 In addition, we obtained the latest available sustainability reports, investment principles, and other relevant documents that pertain to their responsible investment strategies.

analysis of specific voting behavior. We counted a pension fund as disclosing its voting records only if it provided company-level data; aggregate reports were not considered sufficient for our analysis. By focusing on such detailed disclosures, our methodology ensured a consistent and reliable basis for comparing transparency and quality of information across different funds and markets.[6]

Descriptive Findings

The comparative analysis of disclosure practices across the six target markets reveals significant variation in how pension funds disclose their voting policies and company-level voting records. By examining the data in Figure 1, we gain insights into the transparency patterns.

POLICY DISCLOSURE

Among the sampled pension funds, the Netherlands emerges as a clear leader in disclosing formal voting policies: 14 out of 20 Dutch funds publicly share their voting policies.

> The Netherlands emerges as a *clear leader* in disclosing voting policies

This is nearly double the absolute number observed in markets like the UK and Denmark, where 8 out of 22 and 6 out of 17 funds, respectively, offer such information. In contrast, Switzerland and Sweden trail behind with only 4 out of 22 and 4 out of 21 funds, respectively, providing accessible policy documents. Germany stands out starkly, as none of the 20 sampled German pension funds disclose their voting policies. This lack of disclosure in Germany points to a transparency gap. Our German expert interviewee Ingo Speich spoke to those particular challenges as follows "it takes a lot of effort for the comparatively small pension funds in Germany to do such [disclosure] efforts. They either don't vote or they mandate a third party like a proxy voting agency or an asset manager" (Ingo Speich, Germany).

VOTING RECORDS DISCLOSURE

When it comes to disclosing company-level voting records, a different pattern emerges. Denmark, the Netherlands, and Switzerland show high levels of transparency, with 13 out of 17, 15 out of 20, and 16 out of 22 funds, respectively, publishing detailed voting data.

> Denmark, the Netherlands, and Switzerland show *high levels of [voting records] transparency*

Sweden, while not as high as the top three, still demonstrates moderate transparency, with 11 out of 21 funds disclosing their records. The UK lags behind, with only 6 out of 22 funds publishing company-level voting data,

6 It is important to note that our study focused exclusively on the funds' own disclosures; therefore, instances where votes are cast without public disclosure or where voting rights are delegated to third parties without transparency were beyond the scope of our analysis.

and Germany fares the worst, with just 1 out of 20 funds providing granular voting records. This finding aligns with a 2013 study on UK pension funds (Tilba & McNulty, 2013), which noted that only a small number of well-resourced, internally managed funds prioritize active ownership and corporate governance.

CROSS-MARKET OBSERVATIONS

This analysis highlights that strong disclosure practices in voting policies do not uniformly translate into company-level voting records transparency. For example, the Netherlands leads in both policy and voting records disclosure, reinforcing its reputation for transparency. In contrast, Switzerland, while having a relatively low policy disclosure rate, achieves high transparency in voting records. Conversely, Germany's complete absence of policy disclosure coupled with minimal voting record transparency underscores country-level challenges in transparency practices.

Examining the underlying universe of pension funds reveals that public pension funds, in particular, exhibit strong disclosure behaviors. This greater tendency toward openness likely influences aggregated statistics, where countries with a larger percentage of public pension funds such as the Netherlands display higher overall disclosure rates.

These provisional findings indicate that while some markets like the Netherlands are exemplary in both policy and voting transparency, others present a mix of strengths and weaknesses. Notably, the disconnect between policy and record disclosures in certain countries suggests that factors beyond the mere existence of a formal stewardship code or guidelines may influence transparency practices. The variation also indicates that national regulatory environments, market cultures, and the size and maturity of the pension fund sector could play significant roles. As these findings are provisional and illustrative, further research would be needed to establish causation, yet the patterns observed provide a foundational understanding of current disclosure landscapes across these six markets.

Potential Disclosure Drivers

To better understand the variations in disclosure practices across the focus markets, we now examine the potential drivers behind these observed patterns. Despite our analysis covering over 120 pension funds, this sample represents only a fraction of the thousands operating across these markets, serving as a preliminary lens into broader trends. Recognizing these limitations, our discussion below focuses on several key factors that may shape how and why pension funds disclose information about their voting policies and records. In particular, we explore the impact of institutional characteristics such as size, type, and sector representation, and the role of historical path dependency along with influential individual actors. These potential drivers are grounded in qualitative insights gathered from nine expert interviewees. By delving into these drivers, informed by insights from our expert interviews, we aim to contextualize our findings and offer insights that could inform future enhancements in disclosure practices.[7]

PENSION FUND SIZE

A pension fund's size plays a crucial role in determining the resources and expertise available for responsible investment practices, including voting. As multiple interviewees stressed, size directly shapes the level of in-house capacity and professional knowledge (Rob Bauer, Netherlands, Lindsey Stewart, UK). According to David Russell (UK), "in the UK, we have a problem with lots and lots of very small pension funds and there's little resource for them to do anything…Better resourced funds have more time to do anything and one of the

7 While this analysis does not serve as a definitive causal explanation, it provides interpretative context for the sections that follow.

things could be voting." Smaller funds, he added, face significant constraints, whereas larger ones can dedicate specialized teams to develop and implement robust voting policies.

Size directly shapes the level of *in-house capacity and professional knowledge*

Such capacity disparities are evident across the six European markets we surveyed. While the UK features thousands of pension funds, Germany and Switzerland each have hundreds, and the remaining countries have only dozens, resulting in markedly different levels of market consolidation. In the consolidated market in the Netherlands, for instance, more funds are sufficiently large to negotiate investment agreements that secure voting rights and tailor policies to their preferences.

Whether a pension fund manages assets completely in-house, all through external managers, or—like 89% of asset owners—follows a combination of both (Morningstar 2024): size affects the funds' ability to retain and exercise voting rights. Larger funds, possessing stronger negotiating power and larger budgets, can afford mandate agreements retaining voting rights and in some cases have the resources to define and execute their own voting policies.[8] In contrast, the smallest funds often rely on pooled investment vehicles to achieve diversification, and while tools for monitoring external managers or applying one's own voting policy do exist, the awareness and know-how amongst resource-constrained funds may be lacking. As a result, smaller pension funds may lose their voting rights completely, diminishing their capacity both to consolidate and disclose their voting records transparently and to engage effectively with their portfolio companies on sustainability-related topics.

PENSION FUND TYPE

Pension funds in our sample can broadly be categorized into public and private, and several expert interviewees agreed that public funds face greater scrutiny from stakeholders and the general public. As Vincent Kaufmann (Switzerland) noted: "there is more scrutiny on public pension funds, so they might be embracing more progressive voting policies."

> *"There is more scrutiny on public pension funds, so they might be embracing more progressive voting policies"*

Lindsey Stewart (UK) added that "the nature of the beneficiary base tends to be a strong impetus for disclosing," suggesting that large public funds, accountable to taxpayers and public employees, often feel more pressure to be transparent and proactive about their voting. This sentiment was echoed by Stefan Lundbergh of Sweden: "It's one thing if you're like a Dutch pension fund who runs your own monopoly, then you can make more decisions based on your beliefs. If you're in a competitive situation, you have to understand what's im-

8 While there isn't a specific hard threshold, and variation across the markets, assets starting at around 2 billion USD can mark a shift from pension funds investing in pooled funds into mandates and other custom arrangements.

portant to your client and then act accordingly…[public buffer funds like the APs] can run more long term, more independent than most who actually operate in a commercial market."

In contrast, private pension funds may experience less external oversight and different incentive structures, which can dampen the push toward disclosure. "On the private pension fund side, there isn't as much pressure to move on this topic or to show leadership," observed Björn Kristiansson (Sweden). Rob Bauer (Netherlands) offered further insight into how conflicts of interest can arise, particularly in corporate pension plans. Corporate pension funds may hesitate to challenge investee companies especially if they maintain business relationships.

> Corporate pension funds may hesitate to challenge investee companies *especially if they maintain business relationships*

This results in a tacit agreement to "not act against each other" which may lead to certain issues being overlooked or left unaddressed. This dynamic underscores how public pension funds, free from many of these conflicts, often pursue stronger governance and stewardship approaches, while private or corporate funds may remain more cautious due to their interconnected interests.

SECTOR REPRESENTED

Pension funds often reflect the values and priorities of the industries or professions they serve, which can influence how actively they pursue both individual responsible investment topics and their approach overall. For instance, an interviewee from the Netherlands pointed out that funds for healthcare workers may inherently place a stronger focus on public health-related issues in their voting activities, whereas topical links for the metalworkers' pension fund may not be as clear. This underscores how a pension fund's sector affiliation shapes its perception of environmental and social relevance, leading to variations in disclosure practices. Ultimately, sector can inform both the scope and depth of responsible investment initiatives, further highlighting the diversity of practices across the broader pension fund landscape (Rob Bauer, Netherlands).

PATH DEPENDENCY AND THE ROLE OF INDIVIDUAL ACTORS

A final explanation for variations in disclosure practices drawn from our interviews lies in path dependency: the idea that past decisions, norms, and institutional structures shape a pension fund system's long-term trajectory. In some instances, a key individual or small group within a pivotal organization can influence sector-wide practices by championing new disclosure standards or integrating sustainability considerations. For example, the Dutch pension landscape, often noted for its early adoption of responsible investment principles, benefited from the actions of influential leaders in the early 2000s who embedded sustainability into national committees and spurred broader recognition of the importance of voting for pension funds. Similarly, Scandinavian countries have cultivated a culture of openness and accountability, partly due to historical norms favoring collective decision-making and social welfare. Over

Strategic interventions and culturally-rooted values become self-reinforcing, making certain markets like the Netherlands and parts of Scandinavia more inclined to prioritize an active investor role

time, these strategic interventions and culturally-rooted values become self-reinforcing, making certain markets like the Netherlands and parts of Scandinavia more inclined to prioritize an active investor role in company governance as well as transparent disclosure of voting policies and outcomes.

Part 1B: Voting Behavior on Environmental & Social Proposals

Building on the examination of disclosure practices in Part 1A, we now shift our focus to how pension funds actually cast their votes on environmental and social proposals. In Part 1B, we analyze the voting behavior of the 42 funds from our initial sample of 122 that disclose company-level voting records. We use the rezonanz Voting for Sustainability methodology to quantitatively assess their proxy voting behavior on a set of E&S proposals.

While extensive research exists on how mutual funds vote (e.g., Ertimur et al., 2013; Malenko & Shen, 2016; Malenko et al., 2021; Griffin, 2020; Li, 2018; Brav et al., 2020; Bubb & Catan, 2022; Dikolli et al., 2022), few studies have explored the voting patterns of pension funds.[9] To our knowledge, there are no comparative studies examining specifically how pension funds vote on environmental and social proposals, nor any systematic identification of which pension funds are voting in alignment with sustainability goals.

Our analysis seeks to fill that gap by evaluating how the disclosing pension funds in the focus markets vote on E&S proposals and whether they integrate sustainability considerations into their voting choices. The following sections first introduce the rezonanz methodology in greater depth and explain how our approach measures voting records' alignment with sustainability. We then present our findings on E&S voting performance across pension funds and markets.

9 One notable exception is the work by Bolton et al. (2020), which analyzes the voting records of 229 U.S.-based mutual fund families and 37 public pension funds on 15,035 proxy proposals from the 2012 proxy season. Their findings suggest that pension funds tend to be more "socially responsible" investors whereas asset managers are comparatively more "money-conscious," often opposing proposals perceived to affect shareholder value in the short term.

THE VOTING FOR SUSTAINABILITY METHODOLOGY

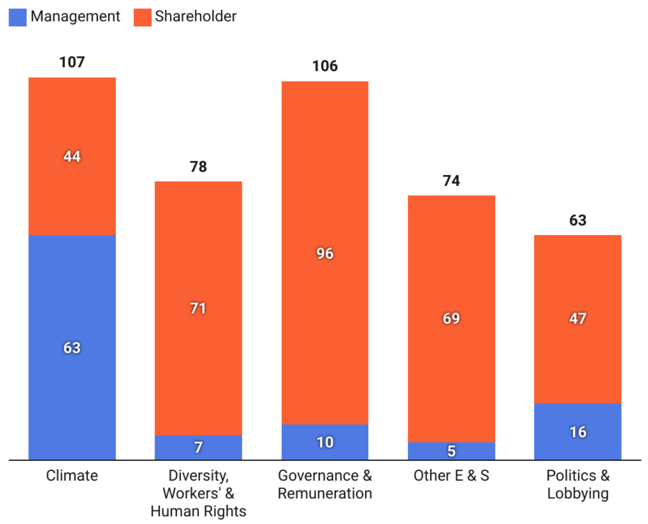
The Voting for Sustainability benchmarking methodology, developed by rezonanz, offers a structured way to measure how investors use their proxy voting power to drive corporate progress on sustainability-related issues. Using this methodology, rezonanz publishes an annual global investor ranking that encompasses both asset managers and asset owners.[10]

> rezonanz's *Voting for Sustainability* benchmarking methodology offers a structured way to *measure how investors use their proxy voting power*

For the analysis that follows, we applied this methodology to assess pension funds' voting behavior on key proposals from the 2024 proxy voting season covering a wide range of E&S topics, such as climate change, labor rights, and more. These proposals were selected through an independent process grounded in the expertise of multiple responsible investment organizations, ensuring that our definition of "sustainability" reflects a broad consensus rather than relying solely on rezonanz's internal criteria. Our methodology involves a

10 For more information on the Voting for Sustainability ranking: https://www.rezonanz.io/.

Figure 2: Proposals by Category and Type



multi-step process: gathering and standardizing proxy voting data; identifying sustainability-related proposals through independent expert guidance; and employing advanced statistical techniques to estimate each fund's alignment with sustainability objectives.

STEP 1: GATHERING AND STANDARDIZING DATA

We began by compiling proxy voting records from a variety of public sources, which we then harmonized through careful quality checks and algorithmic company name and proposal description matching. This allowed us to compare each pension fund's voting decisions across a consistent and comparable dataset, minimizing discrepancies that might result from uneven disclosure practices.[11]

STEP 2: IDENTIFYING SUSTAINABILITY-RELATED PROPOSALS

To ensure an objective benchmark, we looked at the proposals flagged by nine prominent organizations for guidance on which proposals matter most for sustainability, instead of relying on in-house analysis.[12] This process not only helped mitigate bias but also gave us a reliable starting point for our analysis.

Flagged proposals were drawn from:

- The Ethos Foundation
- ClimateAction 100+
- ShareAction
- PIRC Ltd
- ICCR
- ACCR
- As You Sow
- Majority Action
- The Shareholder Commons

We compiled every proposal flagged by at least one of the above organizations, then narrowed the list to those endorsed by at least two sources to strengthen consensus on their relevance. After further refining the dataset by removing all cases with disagreement between the organizations, we arrived at 428 proposals for the 2024 proxy season—a balanced set of votes spanning environmental, social, and select governance issues.[13] Importantly, the final set of proposals encompasses both shareholder and management proposals, a significant improvement over current metrics used including percent voting against management, or simply calculating percentage of support for shareholder proposals.

STEP 3: EMPLOYING ADVANCED STATISTICAL TECHNIQUES

With the proposal set established, we used Bayesian Item Response Theory (IRT) to gauge each pension

11 The methodology does not "punish" missing votes, and simply focuses on the voting choices taken.

12 It is important to note the difference between flagged votes and voting recommendations. Multiple benchmark organizations simply provide lists of votes flagged by their members and for legal and other reasons are explicit in stating that these are not recommendations, but rather proposals to take into consideration.

13 The final proposals list can be shared upon request.

fund's underlying stance on E&S matters.[14] While simpler methods often tally how many sustainability proposals a fund supports, Bayesian IRT models estimate the probability that a fund will vote in alignment with sustainability, given the "difficulty" of each proposal. In this context, proposal difficulty refers to how challenging or contentious a proposal is—proposals that demand a higher level of sustainability commitment are considered more difficult and, therefore, are weighted more heavily in the analysis. By jointly estimating parameters for both the proposals (difficulty) and the pension funds' (latent) sustainability alignment, the Bayesian framework provides a probabilistic measure of each fund's sustainability orientation. This more comprehensive approach avoids overstating or understating a fund's alignment with sustainability based on just a few votes.

Each investor receives an overall alignment score on a 0–1 scale, where higher values indicate greater consistency with the flagged sustainability proposals. Lower values, by contrast, suggest a more conservative approach. This metric enables straightforward comparisons among different investors, highlighting their relative support for E&S issues. In addition to these overall scores, the Voting for Sustainability methodology also derives thematic scores by running the model on subsets of proposals corresponding to five specific categories:

- Climate Change
- Other Environmental & Social
- Politics & Lobbying
- Diversity, Workers', and Human Rights
- Governance and Remuneration

These thematic scores provide insight into how investors align with sustainability goals within individual focus themes, offering a more granular view of their voting behavior across a range of sustainability-related topics. Figure 2 below provides a comprehensive breakdown of the 428 proposals used in the analysis, broken down by both thematic category and proposal type (shareholder versus management proposals).

We applied the *Voting for Sustainability* benchmarking methodology to the voting records of the pension funds in our sample, *focusing on the 42 pension funds that publicly disclose their votes* from 2024 at company level

We applied the Voting for Sustainability ranking methodology to the voting records of the pension funds in our sample, focusing on the 42 pension funds that pub-

14 Bayesian IRT is a method often used in political science to map legislators' policy positions on a left-right scale (Clinton et al., 2004; Imai & Olmsted, 2016), but here it estimates how strongly each investor's voting record aligns with sustainability.[14] For an application of political science methods to measure proxy voting behavior see Bolton et al (2020) and Bubb & Catan (2022).

licly disclose their votes from 2024 at company level.[15] In addition, to ensure a more comprehensive and reliable assessment, we used all available proxy voting data from the rezonanz platform for the 2024 season, incorporating both asset managers and asset owners (pension funds) from markets beyond the six target countries. This approach allowed us to build a robust analytical framework, with a final model encompassing 153 investors. By including the full breadth of data available on the rezonanz platform, we enhance the model's ability to generate precise and comparable estimates.[16]

For the purposes of this report, we mainly discuss the results for the first four themes, as Governance and Remuneration fall outside our core scope on E&S issues the report is focusing on. However, to provide context regarding the overall sustainability alignment of the in-sample pension funds, we will first display the overall scores including governance and remuneration proposals, after which we delve into thematic analysis for the four E&S categories.

These four categories comprehensively capture the environmental and social dimensions central to sustainability. "Climate Change" and "Other E&S" encompass a broad range of environmental topics—from emissions reduction and biodiversity to community impacts—while "Politics & Lobbying" addresses how corporate political spending and advocacy can influence environmental and social policies. Finally, "Diversity, Workers', and Human Rights" tackles key social priorities such as equitable labor conditions, board diversity, and respect for human rights throughout the supply chain. By applying rezonanz's Voting for Sustainability methodology to the pension funds in our sample, we establish a clear, data-driven lens through which to evaluate their proxy voting records.

15 Since only one German pension fund in our sample—Alte Leipziger Pensionskasse AG—disclosed its voting records at the company level (see Part 1A of this report), and its disclosure format was not compatible with our platform's data integration requirements, we were unable to include it in the analysis. Consequently, no German pension funds are represented in the findings presented in Part 1B.

16 Including data from all 153 investors we have data for is crucial for our ideal point estimation approach. With a larger dataset, the Bayesian IRT model can capture a wider range of voting behaviors, which improves the precision and stability of the estimated latent positions. Although our main analysis focuses on the 42 pension funds in the target markets—chosen for their relevance to our research questions—we acknowledge that the ideal point estimates are sample-dependent and are therefore best understood in relation to the full underlying distribution of investors (see Appendix A2). It should be noted that adding additional investors could alter both the absolute scores and the relative rankings of the pension funds, meaning that current quartile classifications may change with an expanded dataset. This limitation underscores that the reported estimates are conditional on the current sample, and future work could explore the sensitivity of these estimates to broader investor inclusion. However, our current sample already includes many of the world's largest investors, with total assets under management exceeding USD 67 trillion. Their significant shareholdings in the companies under consideration lend robustness to the overall voting behavior patterns observed. The final list of assessed investors can be shared upon request.

Results

Figure 3 presents the overall sustainability scores for the 42 pension funds in our sample, derived using the Voting for Sustainability methodology. These scores offer a focused view of how pension funds in the six target markets align with sustainability objectives on all 428 key proposals. For additional context, including the full set of 153 investors (asset managers and asset owners) and their boxplot distributions, please refer to appendix A2, where further details on the full sample are provided.

Figure 3 shows noticeable differences among the six target markets, with Swedish funds generally posting the highest scores followed by those from the Netherlands, which display a somewhat wider range but still include several strong performers. Swiss pension funds mostly cluster in the mid-range, though there are two outliers—one demonstrating notably the highest alignment with sustainability in the sample and another scoring significantly lower. By contrast, Danish funds span a broad spectrum, from some of the lowest scores in the sample to moderately high scores, highlighting a significant variation in commitment across that market. The UK funds appear in a narrower band, consistently landing on the lower end of the scale, while German funds are absent entirely due to insufficient disclosure (as discussed in Part 1A). Overall, these patterns underscore both the diversity of pension fund approaches to sustainability voting and the presence of clear leaders and laggards within each country.

Figures 4–7 display the sustainability alignment scores of the 42 pension funds broken down into four thematic E&S areas—"Climate Change", "Diversity, Workers' & Human Rights", "Politics & Lobbying" and "Other Environmental & Social" issues.[17] Although each category draws on a unique set of proposals—making direct

17 Note that the thematic scores are derived from a subset of proposals specific to each topic. Consequently, not all 42 pension funds cast enough votes to meet our inclusion threshold for every theme. A minimum of 20% of the evaluated proposals had to be voted on for a pension fund's score to be estimated. This criterion accounts for the varying number of funds analyzed in Figures 4–7.

Figure 3: Overall Sustainability Alignment Scores for 42 Pension Funds

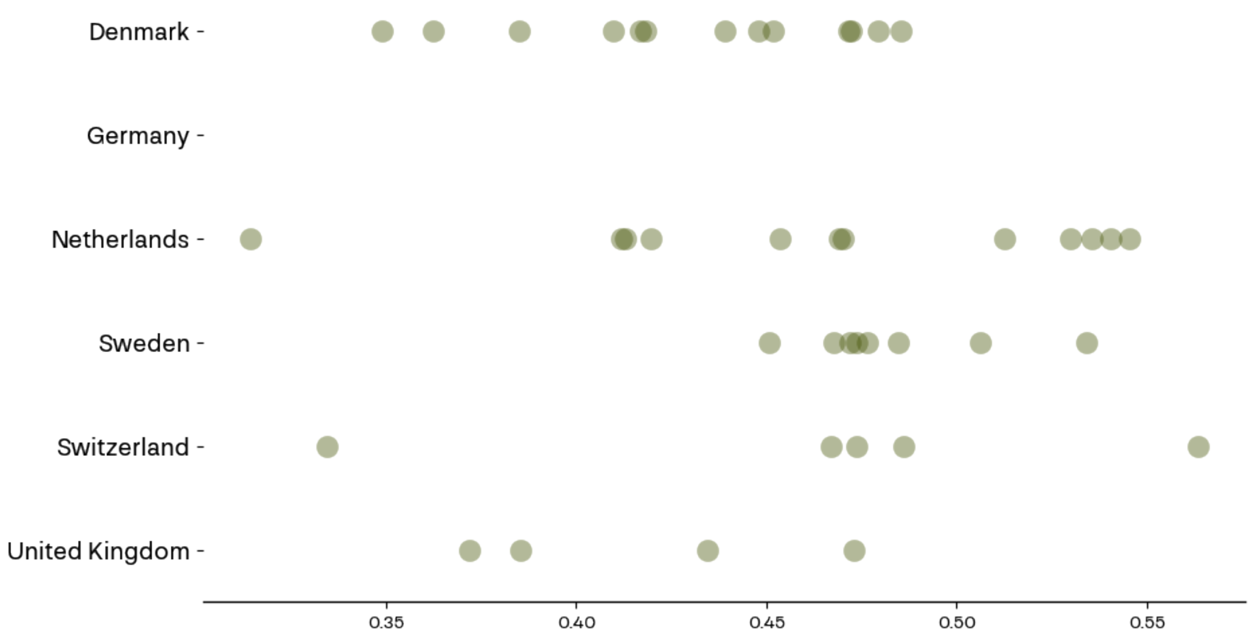
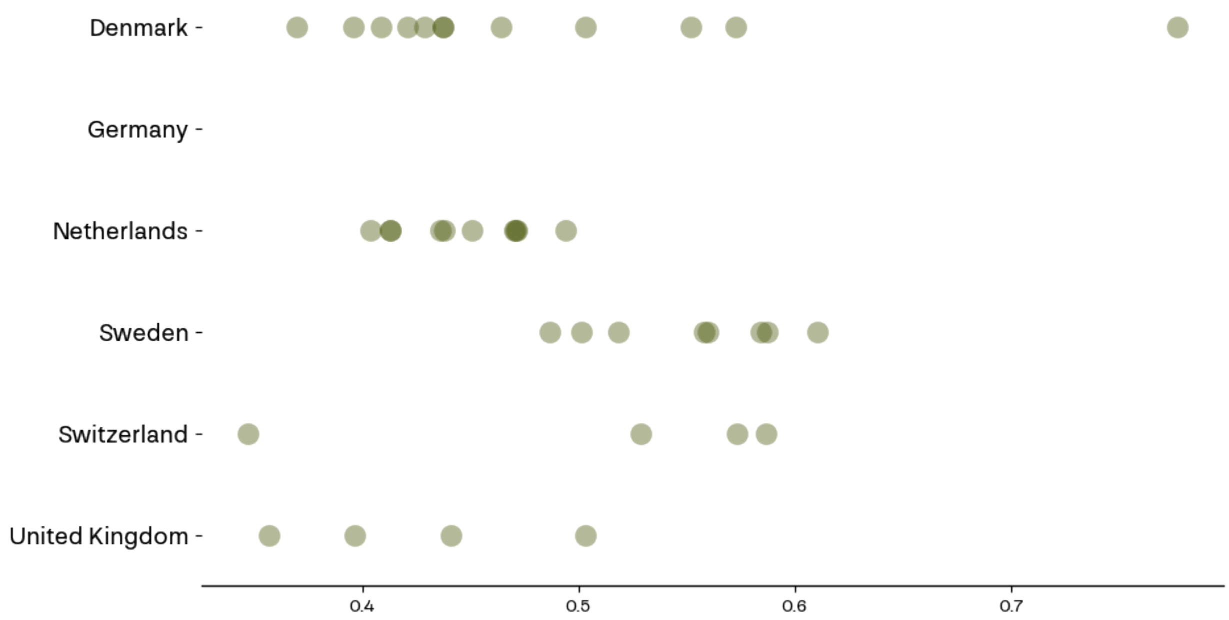


Figure 4: Climate Scores for 42 Pension Funds



comparisons between topics less appropriate—the country-level patterns within each thematic area offer valuable insights into regional approaches and fund-level variations.

Sweden shows the *highest average alignment*

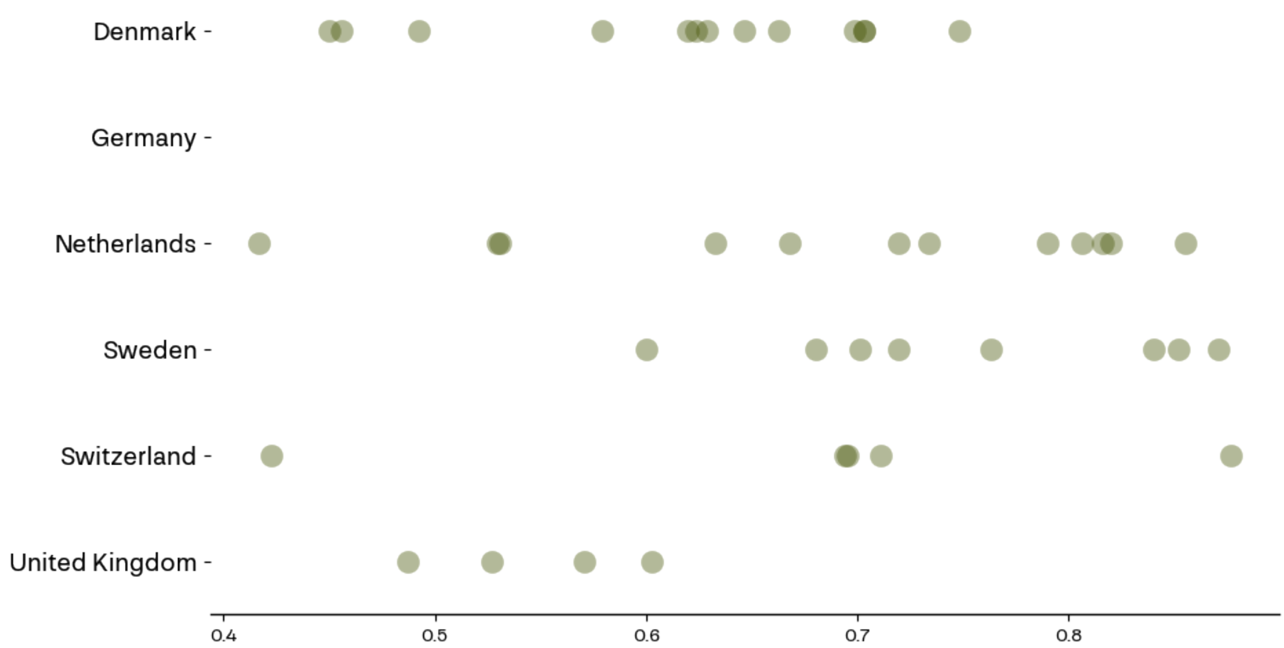
CLIMATE CHANGE

Sweden shows the highest average alignment, with most Swedish funds clustered in the upper portion of the scale (relative to the other pension funds in the sample, for the full distribution see Appendix 2), indicating comparatively strong support for climate-related proposals. Switzerland follows in a mid-range position, though individual Swiss funds vary notably, with some nearing Sweden's higher scores and others dipping closer to the broader midpoint. Denmark exhibits one of the widest spreads, spanning from some of the lowest levels of alignment to the single highest score in the sample. By contrast, the Netherlands and the UK occupy the lower end of the distribution, suggesting comparatively weaker backing for climate-focused proposals overall. These patterns underscore the influence of both market-level and fund-specific factors in shaping voting behavior on climate issues.

DIVERSITY, WORKERS' & HUMAN RIGHTS

Sweden maintains its leading position in this area, with most funds scoring relatively high indicative of robust support for proposals on equitable labor conditions, board diversity, and human rights. The Netherlands and Switzerland also perform well overall, though both display considerable variation at the fund level, with some funds ranking near the top of the distribution while others settle in the mid-range. Denmark occupies a mid-tier position on average, yet exhibits a broad spread, encompassing both moderate and relatively high alignment. Meanwhile, the UK trails behind, suggesting comparatively weaker backing of social and human rights initiatives. Taken together, these patterns mirror broader trends observed in other thematic areas, while also underscoring significant variation within each market.

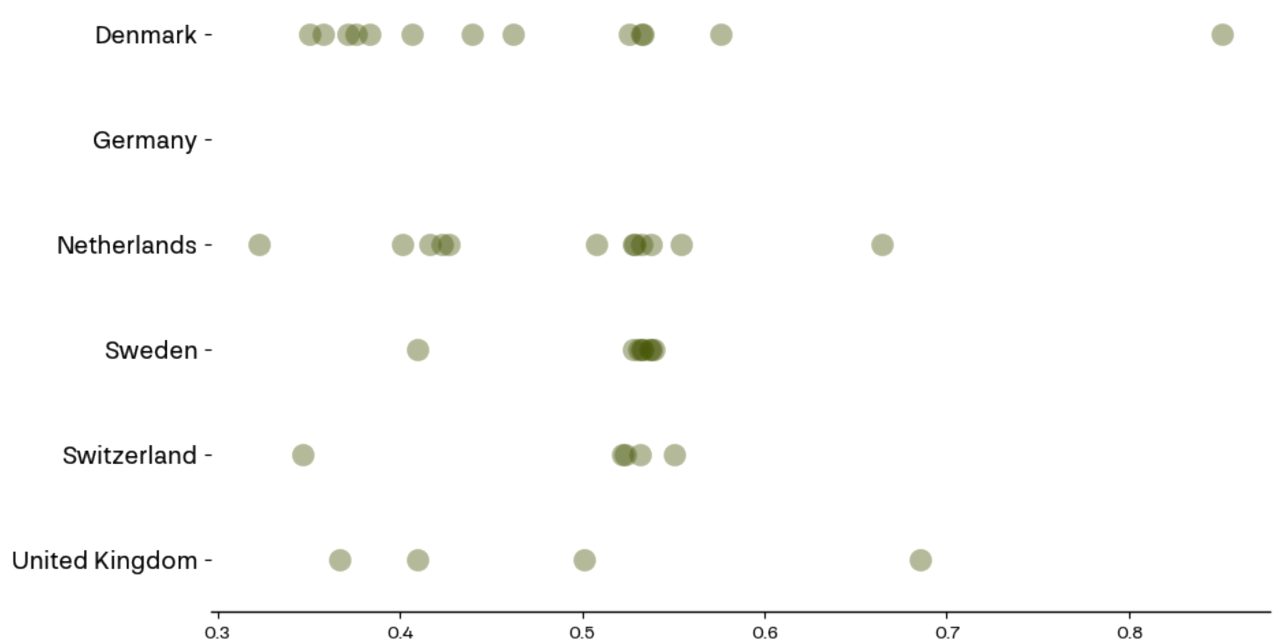
Figure 5: Diversity, Workers' and Human Rights Scores for 42 Pension Funds



POLITICS & LOBBYING

Sweden also shows the highest average scores in Politics & Lobbying, suggesting a relatively proactive stance on corporate political spending and advocacy. Switzerland follows closely, indicating moderate to strong alignment among its funds. The UK and the Netherlands occupy similar mid-range positions, though both exhibit variation among individual funds. Denmark tends to have lower average scores overall, reflecting a more cautious or fragmented approach to corporate political activities. However, one Danish fund stands out as a notable outlier with a very high score, diverging significantly from the rest of the sample.

Figure 6: Politics and Lobbying Scores for 42 Pension Funds



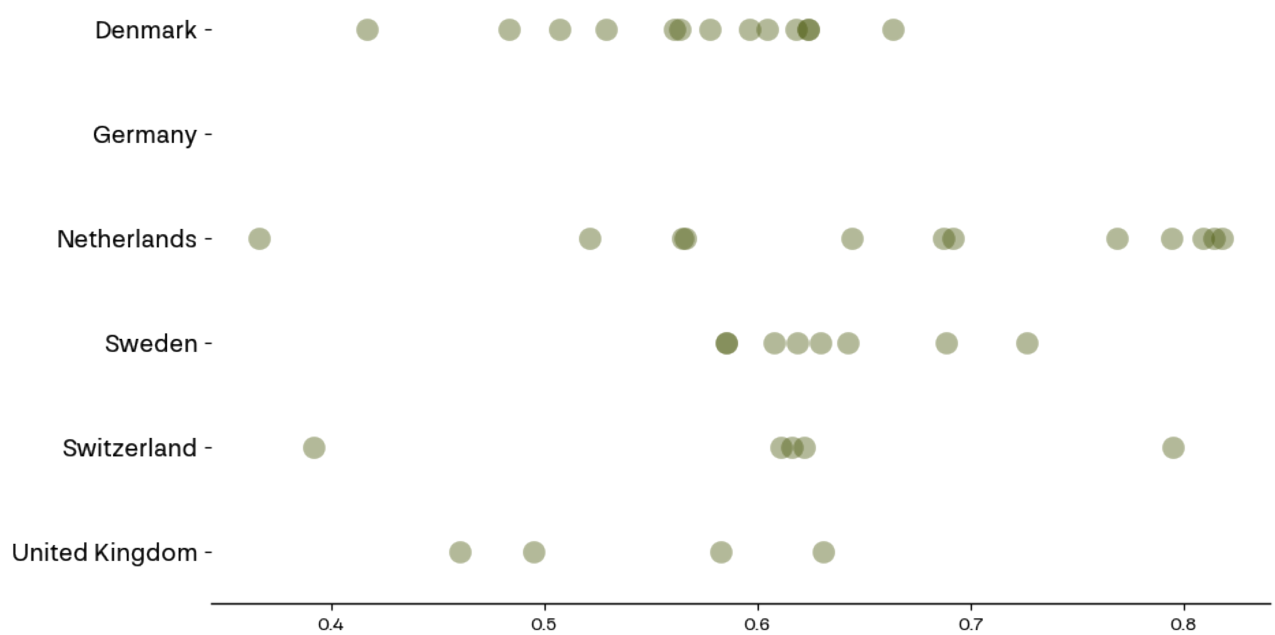
OTHER ENVIRONMENTAL & SOCIAL ISSUES

The Netherlands leads this category, with several funds scoring in the higher range, reflecting a robust commitment to broader E&S issues. Interestingly, this strong performance contrasts with the Netherlands' relatively lower alignment on climate-specific proposals (see Figure 4), suggesting a more selective approach to environmental topics. Sweden and Switzerland follow closely, generally clustering around mid-to-upper scores; however, Switzerland shows a somewhat wider spread, with one fund scoring notably lower. Denmark and the UK record lower averages overall, yet a few Danish funds approach the mid-range levels observed in other markets, illustrating some internal variation. Taken together, these patterns highlight that country-level trends can mask considerable differences at the fund level.

Across all four thematic E&S areas, notable differences emerge among countries, but there is also considerable variation within each market. These findings underscore the role of fund-level factors in shaping how pension funds vote on E&S proposals. The absence of German pension funds remains a significant data gap, as discussed in Part 1A. Nevertheless, the results highlight clear leaders and laggards both overall and in each thematic category, offering insights into how pension funds across Europe are navigating sustainability-related voting decisions.

The results highlight *clear leaders & laggards*, both overall and in each theme

Figure 7: Other Environmental and Social Issues Scores for 42 Pension Funds



Conclusion

Our analysis in Part 1 offers a comprehensive view of pension fund transparency and voting behavior on environmental and social proposals across six European markets. First, by examining disclosures from 122 pension funds, we identified significant variation in both the publication of formal voting policies and company-level voting records. Notably, Dutch pension funds emerged as leaders in transparency while countries like Germany lagged, with no funds providing formal policy disclosures and only a minimal number offering detailed voting records. Insights from expert interviews further suggest that factors such as fund size, type, and market culture play key roles in driving these differences.

Building on the analysis of disclosure practices in Part 1A, we conducted a quantitative assessment of the 42 pension funds that disclosed company-level voting data. Using the rezonanz Voting for Sustainability methodology—grounded in proposals identified by nine leading responsible investment organizations—we estimated each fund's alignment with E&S objectives. The findings reveal considerable variation across and within markets: Swedish pension funds consistently show the strongest alignment, followed by the Netherlands, though both countries display notable differences among individual funds. Denmark exhibits one of the widest spreads, ranging from some of the highest scores in the sample to comparatively low levels of support, while Switzerland generally occupies a moderate-to-high range, albeit with a few outliers. The UK trails behind, reflecting weaker backing for E&S proposals overall. These results underscore the diversity of pension fund voting practices, highlighting both market-level trends and fund-specific factors that shape sustainability alignment.

Together, these findings illustrate the heterogeneity of pension fund practices in terms of both transparency and sustainability alignment of voting choices. Despite limitations—including significant data gaps in certain markets—this integrated analysis lays a robust empirical foundation for identifying best practices (Part 2) and understanding how stewardship codes may further enhance responsible investment strategies (Part 3).

> Our findings illustrate the heterogeneity *of pension funds voting practices* in terms of *both transparency and sustainability alignment*

Building on these insights, Part 2 delves deeper into the voting policies of the top-performing pension funds identified in our voting analysis. By closely examining the guidelines employed by these leaders, we uncover best practices that can inform and elevate voting strategies across the broader pension fund landscape.

Question Addressed

- What best practices can we derive from the voting policies of the top-performing pension funds?

Introduction

Despite the growing emphasis on sustainability in institutional investment, there is no universal standard for what a sustainability-aligned voting policy should include.

> There is *no universal standard* for what a sustainability-aligned voting policy should include

This lack of clarity makes it difficult for pension funds to benchmark their own practices or for stakeholders to assess whether a fund's policies truly align with environmental and social goals. In Part 1, we laid the groundwork by pinpointing which pension funds not only disclose their voting records but also demonstrate strong E&S alignment in their actual voting decisions. In Part 2, we build on those findings to derive best practices in voting policies among the leading voting performers. To identify leaders, we narrow our focus to those funds in the top quartile—the top performers—in each of the four key categories: "Climate Change", "Diversity, Workers', and Human Rights", "Politics & Lobbying", "Other Environmental & Social" issues.

We then conducted a qualitative review of each top-performing fund's disclosed voting guidelines to determine which specific provisions form the basis for their strong voting performance. By closely examining recurring themes, explicit commitments, and actionable language, we derive a set of practical recommendations that other pension funds—and even asset managers—can adapt to bolster their own E&S voting strategies. The subsequent sections first detail our approach to deriving best practices from voting policies and then present the findings in each of the four thematic areas, illustrating how well-crafted voting policies can translate into measurable leadership on sustainability.

APPROACH TO DERIVING BEST PRACTICES FROM TOP-PERFORMING PENSION FUNDS' VOTING POLICIES

Building on the quantitative evaluation from Part 1B, our next step is to derive best practices by examining the voting policies of the top-performing pension funds across the six markets. The key assumption is that where pension funds exhibit strong sustainability leadership in their voting choices, these outcomes were driven by thoughtfully designed voting guidelines. Voting policies are designed to guide individual voting decisions and provide a coherent framework for making consistent choices across diverse companies; therefore, it is reasonable to assume that guidelines aligned with sustainability principles translate into voting behavior that reflects those same principles. By connecting this leadership to the specific language in leaders' policies and guidelines, we can determine which provisions are most effective and share them as practical recommendations for other funds.

To systematically identify these leaders, we used the Voting for Sustainability scores from part 1B to rank all investors and divided the scores into quartiles. For each of the four E&S-related categories—"Climate Change", "Diversity, Workers', and Human Rights", "Politics & Lobbying", and "Other Environmental & Social" issues—pension funds falling within the top (fourth) quartile were classified as "leaders" with respect to that topic.

> Pension funds *falling within the top quartile* were classified as "leaders" with respect to that topic

These funds demonstrated the strongest alignment with sustainability principles in their proxy voting, thereby serving as the basis for our subsequent qualitative analysis. While 18 funds were leaders with respect to more than one topic, two Swedish funds – AP3 (Tredje AP-fonden) and SPP Pension & Försäkring AB – share the unique distinction of being leaders across all four topics.

We then collected the latest available voting policies from these top-quartile funds and adopted a qualitative approach to analyze them. Our analysis entailed a detailed review of each policy to identify recurring themes, specific provisions, and actionable language that appear to drive strong sustainability performance. Importantly, for each thematic category we specifically examined the corresponding sections of the voting policies from the leading funds to understand how these guidelines underpin and translate into their sustainability-aligned voting behavior. We focused on key aspects such as explicit commitments to climate-related resolutions, diversity and inclusion targets, and measures for ensuring corporate lobbying transparency. Where relevant, direct quotes from the policies are included to illustrate the language and document structures that set these leaders apart. In this way, our approach highlights best practices and provides concrete examples that other pension funds and asset managers can reference to improve their own voting guidelines.

The following sections present our results across the four thematic areas: Climate Change; Diversity, Workers', and Human Rights; Politics & Lobbying; and Other Environmental & Social Issues.

In the category Climate Change, the Voting for Sustainability results outlined twelve top quartile pension funds: three from Denmark, six from Sweden and three from Switzerland (see Table 1 below). A review of the voting policies[18] from these twelve top-performing pension funds reveals a set of noteworthy practices for addressing climate risks and promoting a low-carbon transition through proxy voting choices.

A close reading of the twelve top-performing policies in the Climate Change category reveals that, despite their diverse national contexts, these pension funds share a fundamentally similar vision: stewarding a smooth transition to a low-carbon economy and mitigating climate-related investment risks. While each policy adopts distinct language to reflect local differences and stakeholder interests, they share core provisions that reinforce the importance of climate-related issues.

18 Some of the documents we reviewed to identify best practices were not explicitly labeled as voting policies but included clear guidance on how the pension fund exercises its voting rights. We relied on the most up-to-date publicly available voting policies or related documents available at the time of writing this report.

Table 1: Top Quartile Pension Funds Climate

Country	Pension Fund	Score	Discloses Policy
Denmark	Lægernes Pension	0.78	✓
Sweden	AP3 (Tredje AP-fonden)	0.61	
Sweden	SPP Pension & Försäkring AB (publ)	0.59	✓
Switzerland	Swiss Pension Fund 5	0.59	✓
Sweden	AMF Fonder AB	0.58	
Switzerland	Pensionskasse SBB	0.57	✓
Denmark	Velliv, Pension & Livsforsikring A/S	0.57	✓
Sweden	AP1 (Första AP-fonden)	0.56	
Sweden	AMF Tjänstepension AB	0.56	
Denmark	PenSam Pension	0.55	✓
Switzerland	Swiss Pension Fund 6	0.53	✓
Sweden	AP7 (Sjunde AP-fonden)	0.52	✓

USING VOTING RIGHTS TO PROMOTE CLIMATE ACTION

Pension funds increasingly recognize that proxy voting is a direct avenue for driving corporate climate strategies. The Pensionskasse SBB (Switzerland) voting policy states that when "voting on foreign companies, particular attention is given to those that pose significant environmental and climate-related risks, ensuring these issues are addressed through voting decisions."[19] AP7 (Sjunde AP-fonden) (Sweden) describes voting at general meetings as its "most important tool for engaging with the absolute majority of the companies in our portfolio and for driving our principle-based position on sustainability issues," adding that it votes annually at "over 4,000 general meetings" with a focus on continually tightening its voting policy on climate.[20] Lægernes Pension (Denmark) similarly states that it "will therefore support proposals aimed at companies' compliance with the UN's Global Compact principles or the OECD's guidelines... as well as proposals that support measures to reduce companies' greenhouse gas emissions in line with the Paris Agreement's temperature target,"[21] underscoring the principle that every cast ballot can be

19 Pensionskasse SBB. (2020). Politik zur Ausübung der Stimmrechte bei Aktiengesellschaften [Voting Rights Policy for Listed Companies]. Retrieved from https://www.pksbb.ch

20 AP7 (Sjunde AP-fonden). (2023). Climate action plan 2023. Retrieved from https://www.ap7.se

21 Lægernes Pension. (2022). Policy for sustainability and active ownership. Retrieved from https://www.laegernespension.dk

used to steer investee firms toward more robust climate commitments.

SETTING NET-ZERO CLIMATE TARGETS

Many funds explicitly press companies to align with net-zero pathways. AP7 (Sjunde AP-fonden) emphasizes "putting pressure on companies to intensify their adaptation to...attain the emission targets," noting that it has signed the Net Zero Asset Owner Commitment and will "work actively to ensure that [portfolio companies] reach net zero emissions by 2050." Lægernes Pension references "CO2 reduction targets for investments" based on the UN Net Zero Asset Owner Alliance, while SPP Pension & Försäkring AB (Sweden) commits to gradually decarbonizing its portfolios "to meet the goals set by the 2015 Paris Agreement," signaling a united push for measurable greenhouse gas reductions.[22] Velliv, Pension & Livsforsikring A/S's (Denmark) likewise underscores active ownership to influence company conduct and strategies, focusing on ESG risks, transparency, and sustainable development, and aiming for a carbon-neutral portfolio by 2050 in alignment with the Paris Agreement.[23]

LINKING BOARD ACCOUNTABILITY TO CLIMATE OVERSIGHT

Funds increasingly hold board members responsible for overseeing climate risk. AP7 (Sjunde AP-fonden) "sharpened [its] demands on the boards" by voting against those at underperforming companies, explaining that it will "demand responsibility from company boards to undertake a credible climate transition." Lægernes Pension likewise states it votes "against board candidates in companies with high CO2 emissions, where the company is not assessed to have taken sufficient initiatives to identify, assess and mitigate climate risks," reinforcing the notion that directors who fail to confront emissions challenges may jeopardize their re-election prospects. SPP Pension & Försäkring AB even requests that a board member be specifically tasked with "climate change strategies implementation."

DEMANDING RIGOROUS CLIMATE DISCLOSURE

A defining feature of these leaders' approach to climate stewardship is their insistence on thorough and transparent emissions reporting, often tied to established frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). AP7 (Sjunde AP-fonden), for instance, emphasizes that "transparent reporting from companies on climate-related financial risks and opportunities forms an important basis both in our investment decisions and in the dialogue with the companies," adding, "we need to be able to assess how our investments are affected by climate change, and thus we also encourage transparent reporting."

Lægernes Pension likewise indicates it "votes in favour of shareholder proposals that require additional information about companies' climate risks, including where climate-related lobbying activities and the background to set CO2 reduction targets" are involved, reflecting a broader push to illuminate every dimension of a company's climate impact. Most pension funds explicitly call on companies to disclose climate-related information in line with the TCFD's recommendations (e.g., PenSam Pension (Denmark), Pensionskasse SBB (Switzerland)), including publicly disclosing scope 1–3 emissions, and SPP Pension & Försäkring AB similarly "request[s] reporting or disclosure on risk and opportunities linked to climate change." Taken together, these policies clarify that top funds view robust disclosure as the foundation of credible climate governance.

22 Storebrand and SPP. (2019). Proxy voting policy: Implementation guidelines. Retrieved from https://www.storebrand.com/sam/nl/asset-management/sustainability/our-method/active-ownership/proxy-voting/_/attachment/inline/79de5540-6337-47ea-8538-1a0524707a07:a9dde6f2c2100886181ed99f23e90f4743162964/2019-09-01-Proxy-voting-policy.pdf

23 Velliv, Pension & Livsforsikring A/S. (2024). Policy and guidelines for responsible investments and active ownership 2024. Retrieved from https://www.velliv.dk/media/6027/policy-on-responsible-investments-and-active-ownership.pdf

Diversity, Workers' and Human Rights

In the Diversity, Workers' Rights, and Human Rights category, the Voting for Sustainability results recognized sixteen leading pension funds, including seven based in the Netherlands, five in Sweden, two in Denmark, and two in Switzerland (see Table 2 below). Across the top-performing pension funds, a consistent theme is the insistence that representation, fair labor practices, and respect for global human rights standards be woven into the core of corporate strategy. Voting policies directly address issues like board diversity thresholds, human rights due diligence, and the prevention of forced labor, with funds often referencing international frameworks such as ILO conventions and the UN Guiding Principles on Business and Human Rights. The following best practices illustrate how these commitments translate into concrete proxy voting strategies.

Table 2: Top Quartile Pension Funds Diversity, Workers' & Human Rights

Country	Pension Fund	Score	Discloses Policy
Switzerland	Swiss Pension Fund 5	0.88	✔
Sweden	AP3 (Tredje AP-fonden)	0.87	
Netherlands	Stichting Pensioenfonds voor Huisartsen	0.86	✔
Sweden	AP4 (Fjärde AP-fonden)	0.85	
Sweden	AP1 (Första AP-fonden)	0.84	
Netherlands	Stichting Pensioenfonds Vervoer	0.82	✔
Netherlands	Stichting Pensioenfonds Metaal en Techniek	0.82	✔
Netherlands	Stichting Pensioenfonds Medewerkers Apotheken	0.81	✔
Netherlands	Stichting Pensioenfonds Horeca & Catering	0.79	✔
Sweden	AMF Fonder AB	0.76	
Denmark	AkademikerPension - Akademikernes Pensionskasse	0.75	✔
Netherlands	Stichting PME pensioenfonds	0.73	✔
Netherlands	PGGM N.V.	0.72	✔
Sweden	SPP Pension & Försäkring AB (publ)	0.72	✔
Switzerland	Migros-Pensionskasse	0.71	✔
Denmark	Velliv, Pension & Livsforsikring A/S	0.70	✔

SETTING BOARD DIVERSITY THRESHOLDS

A number of funds explicitly link director reappointments to gender representation, insisting on minimum targets. AkademikerPension (Denmark) notes that "diversity and inclusion must permeate the entire organization" and it will "continue to vote against re-election of the nomination committee or the Chair of the Board of Directors if the board consists of less than 30% of the underrepresented gender,"[24] while Stichting Pensioenfonds Horeca & Catering (Netherlands) similarly states that "we vote against the reappointment of the chair of the nomination committee (or other committee members) when there are no female board members."[25] Such commitments ensure that diversity thresholds become enforceable elements of proxy voting strategies.

CONDUCTING THOROUGH HUMAN RIGHTS DISCLOSURE AND DUE DILIGENCE

Stichting Pensioenfonds Vervoer (Netherlands) underscores that "companies play a role in society and can influence potential violations of human rights through

24 AkademikerPension. (2024). Our priorities and voting policy in 2024. Retrieved from https://akademikerpension.dk/media/qcbf-pqzs/2024-aarsbrev-til-danske-selskaber.pdf

25 Pensioenfonds Horeca & Catering. (2024). Voting guidelines. Retrieved from https://www.phenc.nl/

their behavior and policy making,"[26] further clarifying that if a company is not sufficiently transparent about its human rights policy, it "will vote in favor of drawing up such a policy." Moreover, the fund specifically votes "for reports on [companies'] diversity policy and reports on employee diversity (education, experience, age, nationality and gender)," reinforcing the need for robust disclosure practices that allow stakeholders to assess a firm's social and human rights performance.

Investors are increasingly attuned to whether companies have meaningfully integrated the UN Guiding Principles on Business and Human Rights (UNGPs). For instance, AkademikerPension points out that "implementing and reporting on companies' human rights due diligence processes and findings have been an expectation… since the adoption of the UNGPs in 2011," urging boards to proactively view "human rights risk assessment as an integral element in creating long-term value." Stichting Pensioenfonds Medewerkers Apotheken (Netherlands) likewise stresses that "the UN Guiding Principles on Business & Human Rights (UNGPs) specifically describe how companies should deal with these guidelines and treaties,"[27] underscoring the expectation that corporations demonstrate compliance.

ELIMINATING FORCED OR CHILD LABOR

Several funds highlight zero tolerance for exploitative labor practices throughout the supply chain. SPP Pension & Försäkring AB "request[s] adoption and or implementation of labor and human rights standards… ensuring that the company and its suppliers do not use child labor and/or forced labor,"[28] while Stichting Pensioenfonds Metaal en Techniek (Netherlands) reinforces these norms by "commit[ting] to freedom of association and the right to collective bargaining, but also to eliminating all forms of forced labor, child labor and labor discrimination."[29] By embedding these expectations in their voting policies, investors make worker protection a non-negotiable standard of corporate behavior.

EMBEDDING GLOBAL STANDARDS

Some policies explicitly reference ILO core conventions, the UN Global Compact, or OECD Guidelines as the yardstick by which investors judge workplace and human rights conditions. Pensioenfonds Medewerkers Apotheken, for instance, requires alignment with "principles of the UN Global Compact… [on] human rights, labor standards, the environment and anti-corruption." Such global frameworks help investors maintain consistency in their engagement across regions and industries.

LINKING VOTING DECISIONS TO WORKERS' INTERESTS

Funds also consider how companies respond to worker concerns, often withholding support if management appears negligent. Pensioenfonds Metaal & Techniek explains it may escalate if "the management has been insensitive to workers' interests, human rights and/or supplier codes of conduct, or has engaged in other business activities that affect the company's global reputation," emphasizing that boards bear responsibil-

26 Pensioenfonds Vervoer. (2024). Voting policy 2024. Retrieved from https://www.pfvervoer.nl/sites/default/files/documenten/stembeleid.pdf

27 Stichting Pensioenfonds Medewerkers Apotheken. (2023). MVB Policy 2023. Retrieved from https://www.pma-pensioenen.nl/

28 Storebrand and SPP. (2019). Proxy voting policy: Implementation guidelines. Retrieved from https://www.storebrand.com/sam/nl/asset-management/sustainability/our-method/active-ownership/proxy-voting/_/attachment/inline/79de5540-6337-47ea-8538-1a0524707a07:a9dde6f2c2100886181ed99f23e90f4743162964/2019-09-01-Proxy-voting-policy.pdf

29 Pensioenfonds Metaal & Techniek. (2024). Voting policy. Retrieved from https://www.pmt.nl/deelnemer/

ity for fair treatment throughout the firm's operations and supply chains. Stichting Pensioenfonds voor Huisartsen (Netherlands) likewise indicates it will "support (shareholder) proposals to promote health and safety in companies,"[30] a sign that worker well-being is an integral part of good governance.

ACKNOWLEDGING INDIGENOUS AND LOCAL COMMUNITY RIGHTS

Several policies extend their focus beyond just employees, advocating for the rights of indigenous peoples and local communities. SPP Pension & Försäkring AB "request[s] disclosure of processes, impact assessments and implementation of policies respecting the rights of communities, especially during the acquisition of land," noting that companies should follow international norms for Free, Prior, and Informed Consent (FPIC). Stichting Pensioenfonds Medewerkers Apotheken highlights that "the UN adopted a 'Declaration on the Rights of Indigenous Peoples' in 2007… [and these rights] have only been formally recognized in recent years,"[31] reinforcing that companies must address these obligations even where national legal frameworks lag behind global standards.

ENSURING ANTI-DISCRIMINATION MEASURES

Finally, some funds emphasize that corporate policies should prohibit discrimination on the basis of race, gender, or other factors. Pensioenfonds Metaal & Techniek (Netherlands) cites the need for companies to tackle "racial or ethnic diversity and civil rights," sometimes by commissioning "an independent racial equity and/or civil rights audit." PME (Pensioenfonds van de Metalektro) (Netherlands) echoes such sentiments when it refers to "proposals aimed at… combating inequality,"[32] while SPP Pension & Försäkring AB (Sweden) calls for "processes to reduce gender inequalities," illustrating how board diversity is part of a larger ecosystem of anti-discrimination commitments.

Taken together, these best practices highlight how the top-performing pension funds translate high-level international norms on Diversity, Workers' and Human rights like the UNGPs, ILO conventions, and UN Global Compact into concrete, enforceable policies. By voting against boards that fail on diversity goals, demanding human rights due diligence, and insisting on broad labor protections and anti-discrimination measures, they encourage corporations to treat diversity, worker well-being, and human rights as intrinsic to long-term business success.

30 Stichting Pensioenfonds voor Huisartsen. (2024). Voting policy 2024. Retrieved from https://www.huisartsenpensioen.nl/onze-beleggingen/maatschappelijk-verantwoord-beleggen

31 Stichting Pensioenfonds Medewerkers Apotheken. (2023). MVB Policy 2023. Retrieved from https://www.pma-pensioenen.nl/

32 PME (Pensioenfonds van de Metalektro). (2022). Voting policy 2022. Retrieved from https://www.pmepensioen.nl/sites/default/files/documenten/stembeleid.pdf

Politics and Lobbying

In the category Politics and Lobbying, the Voting for Sustainability results highlighted eleven top-performing pension funds: four from Sweden, three from the Netherlands, two from Denmark, one from the United Kingdom and one from Switzerland (see table 3 below). Among the pension funds leading in Politics and Lobbying, a prevailing theme is the call for greater transparency around corporate engagement with policymakers and industry groups, coupled with an expectation that lobbying activities should align with overarching commitments to sustainability and human rights. The following practices emerge from the funds' voting policies:

DISCLOSURE OF LOBBYING AND POLITICAL CONTRIBUTIONS

Many of the leading funds emphasize the importance of public disclosure of lobbying efforts and political contributions. Pensioenfonds Horeca & Catering (Netherlands), for instance, explicitly states, "We vote in favor of all proposals to disclose political donations,"[33] indicating its unwavering support for proposals requiring disclosure of political donations. SPP Pension & Försäkring AB similarly "request[s] more transparency on corporate lobbying and membership of industry organisations,"[34] with PGGM N.V. (Netherlands) and PFA Pension (Denmark) endorsing the disclosure of membership of industry organisations as well.[35] Such disclosure not only provides investors with insight into a company's policy positions but also helps ensure that a firm's behind-the-scenes political advocacy is congruent with its publicly stated sustainability goals.

Table 3: Top Quartile Pension Funds Politics and Lobbying

Country	Pension Fund	Score	Discloses Policy
Denmark	LD Fonde	0.85	
United Kingdom	Universities Superannuation Scheme Limited	0.69	✔
Netherlands	PGGM N.V.	0.66	✔
Denmark	PFA Pension, Forsikringsaktieselskab	0.58	✔
Netherlands	Stichting Pensioenfonds ING	0.55	✔
Switzerland	Migros-Pensionskasse	0.55	✔
Sweden	AP3 (Tredje AP-fonden)	0.54	
Netherlands	Stichting Pensioenfonds Horeca & Catering	0.54	✔
Sweden	AP4 (Fjärde AP-fonden)	0.54	
Sweden	SPP Pension & Försäkring AB (publ)	0.54	✔
Sweden	AMF Tjänstepension AB	0.53	

ALIGNING LOBBYING ACTIVITIES WITH CLIMATE OBJECTIVES

Several policies stress that lobbying activities must not undermine globally-recognized norms or a fund's environmental goals. SPP Pension & Försäkring AB (Sweden), for example, "oppose[s] corporate lobbying intended to prevent regulation addressing climate change," reflecting a growing sentiment that companies should not contradict their declared net-zero or broader ESG

33 Pensioenfonds Horeca & Catering. (2024). Voting guidelines. Retrieved from https://www.phenc.nl/

34 Storebrand and SPP. (2019). Proxy voting policy: Implementation guidelines. Retrieved from https://www.storebrand.com/sam/nl/asset-management/sustainability/our-method/active-ownership/proxy-voting/_/attachment/inline/79de5540-6337-47ea-8538-1a0524707a07:a9dde6f2c2100886181ed99f23e90f4743162964/2019-09-01-Proxy-voting-policy.pdf

35 PGGM Investments. (2025). Global voting guidelines. Retrieved from https://www.pggm.nl/media/5xxhbgnv/pggm-global-voting-guidelines-2025.pdf; PFA Pension. (2022). Guidelines for active ownership. Retrieved from https://www.pfa.dk/

targets through anti-climate lobbying.[36] This position reveals a conviction (shared by other pension funds in our sample) that lobbying efforts must not contradict a firm's publicly declared stance on climate—and that if such contradictions arise, shareholders will weigh them in their voting decisions. By linking lobbying demands to climate agendas, pension funds encourage a more holistic approach in which lobbying, corporate strategy, and environmental targets converge.In sum, these best practices revolve around insisting on transparency with respect to political spending, ensuring lobbying remains consistent with net-zero strategies, and applying rigorous scrutiny to companies' policy engagement in the context of broader climate transition commitments. By calling for disclosure, alignment, and accountability, top-performing pension funds help ensure that lobbying is used as a constructive instrument for societal progress, rather than a hidden roadblock to environmental or social objectives.

36 Storebrand and SPP. (2019). Proxy voting policy: Implementation guidelines. Retrieved from https://www.storebrand.com/sam/nl/asset-management/sustainability/our-method/active-ownership/proxy-voting/_/attachment/inline/79de5540-6337-47ea-8538-1a0524707a07:a9dde6f2c2100886181ed99f23e90f4743162964/2019-09-01-Proxy-voting-policy.pdf

Other Environmental and Social Topics

In the category of Other Environmental and Social issues, the Voting for Sustainability results highlighted thirteen top-performing pension funds: eight from the Netherlands, three from Sweden, one from Switzerland, and one from Denmark (see table 4 below). These funds emphasize preserving biodiversity, enforcing responsible resource management, and guarding against harmful environmental practices. The following sections outline the key themes emerging from their voting policies and engagement strategies:

Table 4: Top Quartile Pension Funds Other E & S Issues

Country	Pension Fund	Score	Discloses Policy
Netherlands	Stichting Pensioenfonds Vervoer	0.82	✔
Netherlands	Stichting Pensioenfonds Medewerkers Apotheken	0.81	✔
Netherlands	Stichting Pensioenfonds Horeca & Catering	0.81	✔
Switzerland	Swiss Pension Fund 5	0.80	✔
Netherlands	Stichting Pensioenfonds voor Huisartsen	0.79	✔
Netherlands	Stichting Pensioenfonds Metaal en Techniek	0.77	✔
Sweden	AP3 (Tredje AP-fonden)	0.73	
Netherlands	Stichting PME pensioenfonds	0.69	✔
Sweden	AP4 (Fjärde AP-fonden)	0.69	
Netherlands	Stichting Pensioenfonds ING	0.69	✔
Denmark	LD Fonde	0.66	
Netherlands	PGGM N.V.	0.64	✔
Sweden	SPP Pension & Försäkring AB (publ)	0.64	✔

MINIMIZING DEFORESTATION AND PROTECTING BIODIVERSITY

A recurring focus is the safeguard of biodiversity and responsible land use. Pensioenfonds Horeca & Catering (Netherlands) "votes in favor of shareholder proposals that request the company to... provide a report on the actions taken to eliminate deforestation in the supply chain and the effectiveness of those actions," and also calls for "...including in a code of conduct the requirements the company sets for its suppliers regarding the preservation of biodiversity."[37] Meanwhile, SPP Pension & Försäkring AB expects from companies the "adoption of policies or measures to prevent deforestation and protect natural forest as described in the High Conservation Value (HCV) categories."[38] Together, these positions highlight a shared expectation for corporate policies that protect habitats, regulate supply-chain deforestation, and ensure that suppliers meet biodiversity safeguards.

APPLYING THE PRECAUTIONARY AND POLLUTER PAYS PRINCIPLES

Many funds underline recognized environmental doctrines to guide their voting and engagement. SPP Pension & Försäkring AB (Sweden) cites "The Precautionary Principle, which dictates that a lack of complete scientific certainty or proof should not be used as a rea-

37 Pensioenfonds Horeca & Catering. (2024). Voting guidelines. Retrieved from https://www.phenc.nl/

38 Storebrand and SPP. (2019). Proxy voting policy: Implementation guidelines. Retrieved from https://www.storebrand.com/sam/nl/asset-management/sustainability/our-method/active-ownership/proxy-voting/_/attachment/inline/79de5540-6337-47ea-8538-1a0524707a07:a9dde6f2c2100886181ed-99f23e90f4743162964/2019-09-01-Proxy-voting-policy.pdf

son to postpone... measures to prevent environmental damage," alongside "The Polluter Pays Principle, which dictates that the party responsible for causing environmental damage should also pay to reduce or reverse it." Stichting Pensioenfonds Medewerkers Apotheken (Netherlands) and Pensioenfonds Vervoer (Netherlands) similarly reference these principles in their voting policies, encouraging companies to internalize the costs of their environmental impacts and adopt preventive strategies—even when data remains incomplete.

REDUCING HARMFUL RESOURCE USE (PLASTICS, WATER, WASTE)

Several funds advocate direct measures to curb pollution, resource depletion, and waste. Pensioenfonds Horeca & Catering (Netherlands) states that it "votes in favor of shareholder proposals requesting the company to provide an action plan or report on reducing the use of plastic," tying this to broader ESG goals. The Stichting Pensioenfonds Medewerkers Apotheken adopts even more specific language "support[ing] important international initiatives that call for legislation on the production and use of single-use plastic, such as the Business Coalition for a UN Plastic Treaty and the Investor Statement on the reduction of plastic packaging by the Association of Investors for Sustainable Development (VBDO)."[39]

With respect to water management, SPP Pension & Försäkring AB "will tend to vote for shareholder proposals" that "request that companies adopt and implement policies to assess and reduce water risk linked to company operations and its suppliers especially for those in water-stressed areas," demonstrating how resource management responsibilities span both operations and extended supply chains.

39 Stichting Pensioenfonds Medewerkers Apotheken. (2023). MVB Policy 2023. Retrieved from https://www.pma-pensioenen.nl/

PRIORITIZING SUSTAINABLE COMMODITY CERTIFICATIONS & ANIMAL WELFARE

Leading investors increasingly expect companies to address animal welfare and adopt recognized sustainability standards for commodities such as timber, palm oil, and fish. SPP Pension & Försäkring AB declares it will "vote for shareholder proposals" that "request that the company considers specific certifications for commodities such as MSC, FSC, RSPO, RTRS or Five freedoms of animals in its own operations and as requirement to suppliers,"[40] a position that sets clear benchmarks for responsibly sourced goods. These certifications can help assure investors—and consumers—that a business's operations minimize harm to animals, natural habitats, and local communities.

In sum, leading funds' policies on non-climate E&S issues demonstrate that preserving biodiversity, enforcing responsible resource management, and guarding against harmful environmental practices are integral parts of corporate accountability. Through explicit voting guidelines, these funds send a clear message: robust environmental stewardship and responsible social conduct are now indispensable pillars of business.

40 MSC (Marine Stewardship Council): This certification focuses on sustainable fishing and seafood practices.

FSC (Forest Stewardship Council): This certification relates to responsible forest management and the sourcing of wood and paper products.

RSPO (Roundtable on Sustainable Palm Oil): This certification promotes the sustainable production of palm oil, addressing issues like deforestation and habitat loss.

RTRS (Round Table on Responsible Soy): This certification focuses on the responsible production of soy, addressing issues of deforestation, land conversion, and pesticide use.

Five Freedoms of Animals: This refers to a framework for animal welfare that includes freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, and disease; freedom to express normal behaviour; and freedom from fear and distress

Conclusion

In Part 2, our objective is to identify best practices in proxy voting policies that underpin strong sustainability performance among pension funds. Building on the quantitative findings from Part 1B, we focused on the top quartile of funds—those exhibiting the highest alignment with sustainability across four thematic areas: "Climate Change", "Diversity, Workers', and Human Rights", "Politics & Lobbying" and "Other Environmental & Social" issues. We collected the latest voting policies from these leaders and conducted a qualitative analysis to uncover recurring themes, specific provisions, and actionable language that guide consistent, sustainability-aligned voting decisions. By linking the language of these policies to their superior voting performance, our approach provides concrete recommendations and practical examples for other funds seeking to enhance their own proxy voting frameworks.

The following high-level patterns emerge from the analysis as particularly instructive for practitioners seeking to refine their own proxy voting frameworks:

TRANSPARENCY AND DISCLOSURE

Whether focusing on climate emissions, political contributions, or human rights due diligence, top-performing funds consistently demand public, detailed reporting. This insistence on transparency underlies everything from TCFD-aligned climate disclosures to robust accounts of lobbying activities and supply-chain labor practices. By embedding disclosure requirements in their voting policies, funds reinforce the idea that responsible corporate conduct must be demonstrable and open to scrutiny.

ACCOUNTABILITY THROUGH PROXY VOTING

Across all categories, the strongest funds use proxy votes as a means of holding boards and management directly accountable. This approach is evident in diversity thresholds for director appointments, opposition to anti-climate lobbying, or refusal to back companies that lag on forced labor or biodiversity standards. In each domain, an explicit "consequence"—such as voting against board nominees—signals that promised commitments will be rigorously enforced if companies fail to meet stated E&S expectations.

ALIGNMENT WITH INTERNATIONAL FRAMEWORKS

A recurring theme is the invocation of globally recognized norms: the UN Guiding Principles on Business and Human Rights, core ILO conventions, the OECD Guidelines, and the UN Global Compact. Regardless of whether the subject is net-zero targets or the safeguarding of indigenous rights, leading funds frequently ground their demands in these established standards. Doing so lends both consistency and clarity to engagement across multiple markets.

In sum, the common thread uniting these top performers across climate, politics and lobbying, other environmental and social concerns, and diversity and human rights is the belief that effective stewardship requires clear standards, enforceable consequences, and ongoing transparency. By articulating concrete expectations in their voting policies—often anchored in global frameworks—these pension funds go beyond high-level principles to shape tangible corporate actions. For practitioners, this emphasizes the value of a unified E&S voting strategy with strong disclosure demands, explicit board accountability measures, and credible escalation tools. Adopting such an approach enables funds not only to mitigate risks but also to drive meaningful improvements in corporate behavior, ensuring that environmental and social objectives support, rather than undermine, long-term financial performance.

Part 3: Stewardship Codes as a Framework for Voting Requirements

Question Addressed

- Does the presence of a formal national stewardship code enhance transparency and voting outcomes?

Introduction

Part 2 of this report examined the voting policies of top-performing pension funds to identify best practices, such as enforcing net-zero commitments, setting diversity thresholds, and requiring comprehensive disclosure on climate and human rights. Yet these forward-looking practices stem chiefly from individual fund policies, raising the question of whether a broader, market-level mechanism could institutionalize such requirements. This brings us to stewardship codes: voluntary or mandated frameworks designed to shape how institutional investors engage with their investee companies and cast their proxy votes.

Originating in the UK, stewardship codes often aim to foster transparency, accountability, and a long-term focus in institutional investment (Katelouzou & Puchniak, 2021; Klettner, 2021). In recent years, they have spread across multiple regions (Puchniak, 2024; Katelouzou & Siems, 2022), though each country's version typically reflects national legal traditions and investor culture. Given the high ambitions outlined by many top-quartile pension funds in Part 2, Part 3 asks whether these codes can serve as an effective vehicle for anchoring voting requirements at scale, rather than relying on the goodwill or individual innovation of each investor.

To address this question, we combine a review of academic and industry literature on stewardship codes with insights drawn from nine in-depth interviews conducted across the six target markets. These discussions shed light on how local codes (or the absence thereof) have evolved, how they shape voting practices, and whether proposed revisions may push E&S standards further.

> *"Stewardship codes are very much seen as the yin to the yang of corporate governance codes"*

We begin by defining and tracing the historical evolution of stewardship codes as a governance tool. Next, we review academic perspectives on their effectiveness, weaving in practitioner testimony from our interviews to highlight real-world tensions and opportunities. Building on this foundation, we assess the current landscape of stewardship codes or their absence across the UK, Switzerland, the Netherlands, Sweden, Germany, and Denmark. With that backdrop, we compare each market's stewardship framework (where applicable) to the E&S voting performance documented in Part 2, to explore potential relationships between the presence and institutionalization of a code and the voting behaviors of pension funds. This approach allows us to bring together key insights from the report, establishing connections between actual voting patterns, and the potential role of stewardship codes in shaping sustainable investment practices.

Definition and Historical Evolution of Stewardship Codes

Stewardship codes are frameworks aimed at guiding institutional investors—pension funds, asset managers, and other fiduciaries—in integrating responsible ownership practices into their investment processes, company engagements, and proxy voting.

As Kerrie Waring aptly pointed out, "Stewardship codes are very much seen as the yin to the yang of corporate governance codes: most markets, have very well-established corporate governance codes, but they're rather moot if you don't have the institutional investor community engaging with the disclosures resulting from the corporate governance codes." By placing clear expectations on investors, stewardship codes foster sustainable, long-term value creation (Katelouzou & Puchniak, 2021). Through provisions on transparency, active engagement, and voting disclosure, they aim to enhance accountability in capital markets and temper short-termist pressures (Klettner, 2021).

Although early traces of investor stewardship can be found in corporate governance codes of the 1990s, such as the Cadbury Code's references to institutional investor responsibilities, more formal stewardship codes began appearing in the aftermath of the 2008 financial crisis (Hill, 2017; Katelouzou & Siems, 2022). Kerrie Waring also emphasized that "the regulatory impetus was driven by the crisis in 2008," as policymakers sought to address perceived laxity in shareholder oversight. In this sense, stewardship codes emerged as vehicles to harness the influence of major shareholders, compelling them to engage proactively on governance and sustainability issues rather than relying solely on a company's board.

The International Corporate Governance Network (ICGN) played a formative role in shaping global stewardship norms through its Global Stewardship Principles (ICGN, 2016; updated 2023).[41] However, these principles remain high-level and non-prescriptive. According to Kerrie Waring, who was CEO of ICGN as the principles were developed, "we opted for the word principles rather than code... so each market can adapt it to their own regulatory and cultural environment." Hence, national variations abound. The UK Stewardship Code (2010) often cited as the first fully fledged, regulator-backed code introduced formal standards for investment managers and asset owners, including a requirement to disclose their voting policies and engagement approaches.

The global diffusion of stewardship codes followed, with Japan launching its code in 2014, and many other jurisdictions such as the Netherlands, Italy, and South Korea rolling out variants tailored to local needs (Katelouzou & Siems, 2022). As of 2024, nineteen countries worldwide (See Appendix A2) had adopted or updated a national stewardship code (Puchniak, 2024). Meanwhile, in some markets, local associations issue guidelines rather than enforceable codes for institutional investors' engagements (e.g., the Association of Institutional Owners in Sweden). The EU Shareholder Rights Directive II (2017) also influenced various member states, prompting them to introduce investor-targeted obligations that overlap or integrate with national stewardship codes.

Crucially, stewardship codes are typically "voluntary" but can become de facto norms. In Japan, for instance, the Government Pension Investment Fund (GPIF) which is one of the world's largest asset owners requires its external managers to sign the Japanese Stewardship Code (Investment & Pensions Europe, 2020), effectively institutionalizing compliance. By contrast, some jurisdictions, like Germany, resist a dedicated code altogether, embedding investor responsibilities in broader

41 While the ICGN's Principles were first released in 2016, the organization's stewardship-focused policy work began in 2003 with its "Statement on Institutional Shareholder Responsibilities," widely regarded as the predecessor to the current Principles. Source: https://www.icgn.org/sites/default/files/2021-06/ICGN%20Global%20Stewardship%20Principles%202020_1.pdf

governance guidelines (Ringe, 2021).

In all cases, stewardship codes remain flexible tools, evolving in response to market pressures, legislative shifts, and changing investor attitudes toward ESG. Whether introduced by regulators or industry bodies, they strive to make transparent, long-horizon engagement a mainstream aspect of institutional investment, bridging the gap between governance best practices on paper and genuine oversight in practice.

Effectiveness of Stewardship Codes: Integrating Academic Evidence and Expert Perspectives

Stewardship codes have proliferated worldwide as a means of enhancing investor engagement, transparency, and long-term corporate governance. Despite their widespread adoption, the extent to which these codes effectively alter institutional investor behavior remains debated. This section brings together academic research—which offers both skeptical and supportive viewpoints—and expert interviews—which provide real-world observations. By weaving these elements together, we aim to present a holistic picture of the codes' efficacy across diverse market contexts.

The academic discourse surrounding the effectiveness of stewardship codes reveals a range of findings, reflecting diverse market contexts and evolving expectations of institutional investors. While stewardship codes aim to enhance transparency, accountability, and long-term engagement, empirical evidence on their practical impact is mixed.

THE SKEPTICAL VIEW

A body of anecdotal and legal scholarship has expressed skepticism about stewardship codes (Lu et al., 2018; Ho, 2016; Reisberg, 2015; Davies, 2020; Roach, 2011; Reddy, 2021). Key criticisms identified include concerns over agency problems, shareholder conflicts of interest, high implementation costs, and the inherently unenforceable nature of these codes.

> Key criticisms identified include concerns over *agency problems, shareholder conflicts of interest*, high *implementation costs*, and the *inherently unenforceable nature* of these codes

These critiques suggest that while codes set aspirational goals, their practical adoption and enforcement may be hindered by market and behavioral realities. As one of our expert interviewees noted, stewardship codes can provide a useful starting point by summarizing prevailing market expectations, but they are not necessarily prescriptive or transformative tools. "It has a role, but maybe more to sort of summarize what's going on instead of telling what should be done," explained Rob Bauer (Netherlands), also emphasizing that companies often take them as less seriously than investors do. A more critical take came from Stefan Lundbergh of Sweden: "When the regulator formalizes something complex, it quite easily becomes reduced to a tick-the-box exercise. It becomes more important to look good in the metric that the regulator has prescribed, rather than delivering real world impact."

Academic analyses of the first UK Stewardship Code underscore a range of conceptual and practical weaknesses, including vague definitions, rushed development post-financial crisis, and a "comply or explain" enforcement model that some critics find too lenient leading to limited impact (Reisberg, 2015; Roach, 2011, Reddy, 2021). While the Code marked a pioneering step toward more robust investor engagement, scholars argue that its long-term effectiveness ultimately hinges on clearer guidance, stronger oversight mechanisms, and genuine commitment from signatories rather than mere formal adherence.

A key driver of skepticism is the voluntary nature of these codes. Because they apply only to those who choose to sign on, stewardship codes typically attract organizations that already see themselves as leaders in responsible investing. As David Russell (UK) noted, "the code doesn't do it because it doesn't apply to all funds and it's voluntary," underscoring how such frameworks, by design, exclude those less inclined to engage. Both Russell and Rob Bauer emphasized that–regardless of the mode of signatory monitoring–voluntary structures themselves often fail to compel meaningful participation from investors lacking a predisposition toward stewardship.

Closely related to the codes' voluntary nature are the persistent enforcement and monitoring challenges cited by several interviewees, who stressed the inherent difficulty in operationalizing stewardship principles across different regulatory contexts. Kerrie Waring observed that "the key differences are around enforcement and the mechanisms by which codes are implemented," noting that while the UK may be among the most progressive in requiring clear disclosures, other markets lag. Vincent Kaufmann (Switzerland) argued for "more enforcement" to increase public accountability, highlighting the absence of formal signatory or reporting mechanisms in his country's new stewardship code.

These varied perspectives underscore how voluntary frameworks, in the absence of robust enforcement or legal mandates, often struggle to extend their reach beyond already-committed institutions. Consequently, codes may serve more as an articulation of existing market practices than a mechanism to drive substantive changes in investor behavior.

THE OPTIMISTIC VIEW

Despite the criticism often leveled against stewardship codes, several strands of academic research suggest they can positively influence both investor conduct and company performance. Shiraishi et al. (2022) provide international evidence that such codes help mitigate the free-rider problem among large, diversified institutional investors, yielding higher firm value—particularly in companies with substantial institutional ownership. Similarly, Tsukioka (2020) documents how Japan's Stewardship Code prompted tangible shifts in shareholder voting, with signatories becoming more inclined to vote against underperforming top management, thereby aligning voting behaviors more closely with long-term value creation.

> Stewardship codes can stimulate a more *proactive and strategic* approach to voting

Expert interviews further highlight the role of stewardship codes in fostering more proactive and constructive engagement, with insights suggesting that such frameworks can provide valuable guidance and structure for investors navigating their stewardship responsibilities (Dr. Alexander Juschus, Germany). Echoing this view, David Russell (UK) suggested that stewardship codes can stimulate a more proactive and strategic approach to voting.

Many practitioners also pointed to the role of stewardship codes in enhancing accountability. Lindsey Stewart noted that, "It's certainly improved accountability internally and externally," referencing both internal oversight processes and external obligations to clients. According to Stewart, "...with the [UK] Stewardship Code's language on escalation and exercising rights and responsibilities, it has created the degree of pressure for institutions to demonstrate that they are doing something... that they are following along with the general direction of the objectives that they've set," which often translates into concrete actions such as votes against management. As he put it, "if you're going to report each year that you've taken action against a certain number of companies, it does create a pressure for that activity to increase...So we've seen a lot more votes against management on the environmental and social side as part of that."

Beyond accountability, interviewees stressed that stewardship codes function as practical guides for day-to-day activities. Ingo Speich (Germany) remarked that, "...it helps in your daily business... stewardship codes give you guidance and keep you on track. And for us, it really helps to structure the business." Similarly, while acknowledging its limitations, David Russell viewed the UK stewardship code as "a leading template" for other markets, underscoring their influence beyond any single jurisdiction. In the Swiss context, Vincent Kaufmann noted that although the recently established code has had impacts "more among asset managers than pension funds," it pushes investors to address failed engagements more thoroughly—"moving beyond just sending a letter without any consequences"—thereby encouraging full follow-through, including shareholder resolutions and board interventions. This shift highlights how stewardship codes can increase accountability, moving investors beyond basic transparency and toward a more results-oriented approach.

Overall, these optimistic viewpoints underscore the capacity of stewardship codes to encourage forward-looking engagement, create pressures for active oversight, and offer structured guidance that fosters both transparency and accountability. While codes may be voluntary and vary in effectiveness across jurisdictions, they can nonetheless act as catalysts for more responsible, long-term investment practices—especially where market participants commit to using them as living frameworks for continuous improvement.

Taken together, the literature and the interview results present a mixed view of stewardship codes. While there are indications of improved investor engagement and altered voting behaviors and in the mitigation of free-rider problems, the overall effectiveness of stewardship codes in delivering on their promise remains contested. Issues such as vague definitions, enforcement challenges, and varying market conditions play crucial roles in shaping outcomes. These mixed findings stress the importance of continual refinement of stewardship codes, tailored to specific market contexts and accompanied by stronger enforcement and clearer metrics to truly embed long-term, responsible investment practices.

Building on these insights, the following section examines how stewardship codes (or the absence thereof) manifest in six European markets, shedding light on the local factors that shape their adoption and impact.

Overview of Stewardship codes across the Six European Markets

Institutional investors across Europe operate within diverse stewardship frameworks, ranging from well-established codes with rigorous reporting requirements to markets where investor engagement is guided by broader governance frameworks or voluntary guidelines. This section provides an overview of the stewardship codes or the absence thereof in the six focus markets: the United Kingdom, Switzerland, the Netherlands, Sweden, Germany, and Denmark. Each market reflects a unique regulatory, cultural, and institutional approach to stewardship, which influences how voting requirements are embedded into investment practices. While countries such as the UK and the Netherlands have comprehensive, investor-focused stewardship codes aimed at fostering transparency and accountability in proxy voting, others, like Sweden and Germany, have opted for alternative mechanisms such as corporate governance codes and industry guidelines to promote active ownership. Denmark, on the other hand, has transitioned from a stewardship code to a statutory framework that embeds key stewardship principles into law. Understanding these variations is critical in assessing the role stewardship codes can play in anchoring voting requirements and promoting responsible ownership practices across different regulatory landscapes.

UNITED KINGDOM

The UK has perhaps the most established stewardship framework, with the first stewardship code worldwide established in 2010. The UK Stewardship Code, created by the Financial Reporting Council (FRC), has evolved significantly since its inception in 2010 with several updates over the years (in 2012 and 2019), and as of February 2025, currently undergoing another review.[42] The most recent iteration, effective from January 1, 2020, sets elevated standards for asset owners, asset managers, and service providers, emphasizing the integration of environmental, social, and governance factors into investment and stewardship activities.[43]

The 2020 Code comprises 12 “apply and explain” Principles for asset managers and asset owners, and a separate set of Principles for service providers. These Principles cover areas such as purpose, strategy, and culture; governance, resources, and incentives; and stewardship, investment, and ESG integration. Signatories are required to produce an annual Stewardship Report demonstrating how they have applied the Code’s Principles, with a focus on the outcomes of their stewardship activities. Although initially voluntary, market expectations and the UK’s regulatory environment have made compliance with the code and its reporting requirements something close to a baseline requirement for institutional credibility.

The 2020 version of the code has been presented as a tool to encourage institutional investors to encourage listed companies towards greater focus on ESG factors, positioning it as a mechanism to contribute to environmental sustainability (Puchniak, 2024). As Lindsey Stewart explained in an interview “Certainly the 2020 version of the Stewardship Code has had a big impact in influencing the way that investment institutions both in the UK and internationally think about their approach to achieving sustainability objectives. What outcomes they’re seeking, the process through which they’re trying to engage with companies, how they select companies for engagement and reporting back to beneficiaries and then investment clients on how they’ve performed against those objectives.” However, in November 2024, the FRC announced plans to revise the Code’s definition of stewardship by removing specific references to “the environment and society.” This proposed change aims to clarify that while delivering long-term sustainable value for clients and beneficiaries remains paramount, positive environmental and social outcomes are potential benefits rather than explicit requirements (The

42 The Financial Reporting Council (FRC) committed to reviewing the UK Stewardship Code after the 2020 version had been in operation for a few years. A public consultation on proposed revisions to the Code has been launched, running from 11 November 2024 to 19 February 2025. Retrieved from https://www.frc.org.uk/library/standards-codes-policy/stewardship/uk-stewardship-code/

43 Financial Reporting Council. (2020). UK Stewardship Code 2020. Retrieved from https://media.frc.org.uk/documents/The_UK_Stewardship_Code_2020.pdf

Times, 2024; Responsible Investor, 2024). Lindsey Stewart described the proposed removal of language that focuses on sustainability and societal outcomes as "backtracking". Commenting on the undergoing Code revision, David Russell (UK) further suggested that recent revisions may be "a political response to the political environment…rather than a robust way of ensuring truly effective stewardship."[44]

Nevertheless, in recent years, the UK Stewardship Code has served as a model for stewardship frameworks globally (Katelouzou & Siems, 2022), influencing the development of similar codes in other jurisdictions. Its emphasis on transparency, accountability, and ESG integration has contributed to shaping international best practices in institutional investment and corporate governance. Consequently, in combination with the ICGN's Global Stewardship Principles, the UK Stewardship Code remains a reference point for emerging stewardship codes worldwide (Interviews with David Russell, Lindsey Stewart, Vincent Kaufmann, Ingo Speich, Kerrie Waring).[45]

SWITZERLAND

Historically, Switzerland relied on the Swiss Code of Best Practice for Corporate Governance for guidance on board responsibilities and shareholder rights. However, in late 2023, a Swiss Stewardship Code developed jointly by the Asset Management Association Switzerland and Swiss Sustainable Finance now provides a dedicated, investor-centric framework for responsible ownership. This new code outlines nine principles addressing governance, stewardship policies, voting, engagement, and escalation, among other topics.[46] Although it remains voluntary, is not enshrined in law, and has no formal endorsement mechanism, Swiss pension funds and asset managers are increasingly adopting its recommendations. By aligning with the international trend toward explicit stewardship standards, the Swiss Stewardship Code aims to clarify investor obligations, promote long-term value creation, and bring greater transparency to proxy voting and engagement activities within Switzerland's investment sector. In particular, Principle 3 advocates for "active and informed voting," urging investors to integrate voting into their investment processes, provide clear rationales for their decisions, and exercise independent judgment rather than relying solely on third-party advisors. The code further requires investors to establish and disclose a structured voting policy that aligns with their stewardship principles and considers financial, environmental, social, and governance factors. Additionally, investors are encouraged to publish detailed voting records on a per-resolution basis and justify any votes against management or abstentions to enhance accountability and transparency (Swiss Stewardship Code, 2023).

THE NETHERLANDS

In the Netherlands, the Dutch Stewardship Code (introduced by Eumedion in 2018) provides guidance aimed specifically at institutional investors, recommending a long-term approach, disclosure of engagement activities, and collaborative action on systemic risks (Van der Elst & Lafarre, 2020).[47] As of this report's publication date in February 2025, the code currently has a "dormant" status, however many of the Dutch pension funds

44 The proposed code changes are taking place in the wake of the FCA's new fund labeling regime, a "hard law" anti-greenwashing rule applicable for all FCA-authorised firms. https://www.fca.org.uk/publications/policy-statements/ps23-16-sustainability-disclosure-requirements-investment-labels

45 For more academic studies on the UK stewardship code see Roach (2011), Arsalidou (2012), Cheffins (2010) and Reisberg (2015).

46 Swiss Sustainable Finance and Asset Management Association. (2023). Swiss Stewardship Code 2023. Retrieved from https://www.sustainablefinance.ch/api/rm/5A7ME29CD6M925N/2023-10-04-swiss-stewardship-code-final.pdf

47 Eumedion. (2018). Dutch Stewardship Code. Retrieved from https://www.eumedion.nl/en/public/knowledgenetwork/best-practices/2018-07-dutch-stewardship-code-final-version.pdf

in our sample continue to use the code's provisions as a baseline for transparency about voting policies and responsible ownership (e.g., Stichting Pensioenfonds Medewerkers Apotheken and Pensioenfonds Metaal & Techniek explicitly refer to the code). Moreover, since 2022 the key principles of this Stewardship Code are included in the Dutch Corporate Governance Code. Consequently, the Stewardship Code's principles now have a more official status as the Corporate Governance Code is embedded into law (with a scope including institutional investors) and in case law. Monitoring is now executed by the Dutch Corporate Governance Code Monitoring Committee (Rients Abma, Netherlands).

In the realm of voting, the Dutch Stewardship Code sets explicit expectations for "informed" voting decisions, calling on asset owners and asset managers to publicly disclose how they vote on at least a quarterly basis, and to clarify when and how they rely on external proxy research, thereby promoting greater accountability and transparency in the voting process. While the Dutch Stewardship Code aims to align with international best practices, it differs from the UK Stewardship Code by placing greater responsibilities on asset owners (Vletter-van Dort & Keijzer, 2018). However, it has been described as more of a codification of existing practices rather than a driver of new behavior, with one expert noting that it primarily formalizes actions that were already taking place among larger funds (Rob Bauer, Netherlands), rather than introducing significant changes to stewardship practices. Moreover, the Dutch pension fund sector is a small, interconnected landscape dominated by a few large funds where everyone is aware of what others are doing and peer pressure's significant role in shaping behavior can often be a stronger driver of change than the code itself (Rob Bauer, Netherlands).

SWEDEN

Sweden does not maintain a standalone stewardship code akin to the UK's, but the Swedish Corporate Governance Code (administered by the Swedish Corporate Governance Board) does encourage institutional investors to engage actively with their investee companies.[48] While these guidelines primarily focus on company boards and shareholder rights, Swedish pension funds (e.g., SPP Pension & Försäkring AB) often use them, alongside policy recommendations from the Association of Institutional Owners, to guide their own stewardship and voting practices. In fact, most large Swedish institutional shareholders have an explicit ownership policy, and many coordinate through the Association of Institutional Owners, which has issued formal recommendations on voting approaches (Fenwick & Vermeulen, 2018). Moreover, the Swedish Investment Fund Association revised its shareholder engagement guidelines in 2019 to align with the Shareholder Rights Directive II (SRD II), significantly expanding statutory requirements related to shareholder engagement policies (Katelouzou & Sergakis, 2021). These updated guidelines introduced principles covering key aspects such as participation in nomination committees, handling of inside information, escalation procedures, use of voting advisers, and policies on stock lending related to voting at general meetings. This evolution highlights Sweden's reliance on soft law mechanisms tailored to local market demands, emphasizing collaborative stewardship through investor associations rather than a formal code.

Furthermore, the AP Funds, which manage Sweden's public pension assets, operate under a mandate from the Swedish Parliament (Riksdagen) to achieve high returns at low risk while contributing to the stability of the income pension system. As of January 1, 2019, legislative changes to the Public Pension Funds (AP Funds) Act introduced a new objective requiring the funds to contribute to sustainable development by managing their assets in an exemplary manner, incorporating responsible investment and ownership practices without com-

48 The Swedish Corporate Governance Board. (2020). The Swedish Corporate Governance Code: Consolidated version including Instruction 1-2020. Retrieved from https://bolagsstyrning.se/Userfiles/Koden/Dokument/Eng/SvenskKodBolagsstyrn_justerad_ENG_211220.pdf

History & Evolution of Stewardship Codes across the Six Markets

1995: First Cadbury Code's Section E (UK) - Early guidance specifically aimed at institutional investors was incorporated into the Cadbury Code, marking one of the first instances where governance recommendations addressed investor stewardship responsibilities.

2003: ICGN Statement on Institutional Shareholder Responsibilities - Building on UK efforts, the International Corporate Governance Network (ICGN) issued guidance for institutional shareholders worldwide, laying a foundation for what would later become stewardship code norms.

2010: UK Stewardship Code - Widely recognized as the first regulatory-backed stewardship code, the UK Stewardship Code introduced formal principles for asset owners and managers. Subsequent revisions took place in 2012 and 2019, expanding its scope and raising accountability requirements.

2016: Danish Stewardship Code - Denmark briefly adopted a standalone code for institutional investors, which was later withdrawn upon transposition of the revised Shareholder Rights Directive (SRD II) into Danish law.

2017: EU Shareholder Rights Directive II (SRD II) - With (EU) 2017/828, SRD II updated Directive 2007/36/EC to enhance long-term shareholder engagement in EU/EEA-domiciled listed companies. The directive also extended obligations to non-EU intermediaries holding EU equities, influencing the stewardship frameworks in many member states.

2018: Dutch Stewardship Code - Introduced by Eumedion as a comply-or-explain code tailored to institutional investors, recommending a long-term focus, enhanced disclosure, and collective action on systemic risks.

2019: Danish Stewardship Code Ceases - Following the implementation of SRD II, the Danish code was withdrawn and partially replaced by statutory provisions under national legislation.

2020: Updated UK Stewardship CodeBuilding on its pioneering 2010 version and the 2012 revision, the UK further strengthened its stewardship framework, with the 2020 revision emphasizing ESG integration and robust annual reporting requirements.

2023: G20/OECD Principles of Corporate Governance The latest iteration of these international guidelines underscores the rising significance of stewardship in modern corporate governance practices. Link to G20/OECD Principles (2023)

2023: Swiss Stewardship Code Developed by the Asset Management Association Switzerland and Swiss Sustainable Finance, Switzerland's first investor-focused stewardship code sets out nine principles covering governance, voting, engagement, escalation, and reporting.

promising long-term returns.[49] This legislative framework could partly explain the high scores observed for the AP Funds in the results from Part 2, reflecting their strong commitment to responsible stewardship and sustainability integration. Collectively, these factors contribute to a robust, albeit relatively decentralized, framework for active ownership in Sweden, even in the absence of a dedicated investor-focused code.

When asked about the absence of a Stewardship Code in Sweden and whether a code is under consideration for the future, Björn Kristiansson, Executive Director of The Swedish Corporate Governance Board had the following point: “We've been discussing that in the corporate governance committee maybe every five years, considering whether we want to enter into that arena and [establish a code], and we've always found that it's not requested and there's no need. We don't have any kind of failure or anything that we feel requires intervention. The stewardship code is essentially designed to encourage shareholders to be active owners. That is its ultimate aim. In Sweden, the tradition is that owners are already active—that's the fundamental aspect of the Swedish governance system. Owners have total control of the companies; they can give directions, elect the board, and the board runs the company. So, we don't really need to foster this behavior through a code” (Björn Kristiansson, Sweden).

GERMANY

In Germany, the key principles related to stewardship and active ownership are generally embedded in the German Corporate Governance Code (Deutscher Corporate Governance Kodex, 2022), and other soft-law frameworks, but not in a distinct stewardship code. This reluctance to adopt an official stewardship code persists even though shareholder engagement is on the rise in German markets (Kaur et al., 2022), and despite the EU Shareholder Rights Directive II (SRD II) encouraging more robust long-term engagement across member states. According to Ringe (2021), lawmakers appear hesitant for a variety of reasons, chief among them that a code would apply predominantly to a relatively small domestic fund sector, offering limited influence over foreign-based asset managers. In addition, Germany's stance reflects traditional patterns of domestic corporate governance and law, where investor engagement has not historically taken the shape of a unified, code-based approach. In spite of this, in 2020, after SRD II's implementation, the DVFA, the German professional association of investment professionals, established a set of Stewardship Guidelines, most recently updated in late 2023. While our expert interviewee mentioned a small number of asset managers have reported their alignment with the guidelines' principles, no mention of pension funds' uptake was made (Ingo Speich, Germany).

DENMARK

Denmark does not currently maintain a standalone investor-focused stewardship code. Between 2016 and early 2019, Denmark had a Stewardship Code published by the Committee on Corporate Governance (November 2016). Its aim was to encourage a form of investor stewardship that would benefit long-term value creation in Danish listed companies, aligning with the country's Recommendations on Corporate Governance. Like many similar codes, it operated on a “comply or explain” basis (Klettner, 2017). The code placed significant emphasis on voting policies, recommending that institutional investors adopt a voting policy as part of their engagement efforts and disclose whether and how

49 Council on Ethics, Swedish National Pension Funds. (n.d.). The AP Funds. Retrieved from https://etikradet.se/en/the-council-on-ethics-of-the-swedish-ap-funds/the-ap-funds/#:~:text=On%201%20January%202019%2C%20the,responsible%20investment%20and%20responsible%20ownership

they have voted at general meetings.[50] Investors were encouraged to exercise their voting rights actively, engage with boards when they intended to deviate from their recommendations, and address stock lending policies in relation to voting practices.

However, in 2019, the stewardship code was replaced by statutory provisions following the transposition of the revised Shareholder Rights Directive (SRD II) into Danish law.[51] Denmark passed legislation making six of the original seven stewardship principles mandatory.[52] As a result, the Stewardship Code itself ceased to apply after January 31, 2019. While in effect, it focused on transparency around engagement policies, monitoring and dialogue, escalation, collaboration with other investors, voting, conflict of interest procedures, and reporting.[53] With these elements partially codified into law, Denmark no longer maintains a standalone investor-focused stewardship code, but the earlier principles arguably continue to influence how Danish institutional investors exercise their stewardship obligations today.

Relationship between Stewardship Code Presence and E&S Voting Alignment

To assess whether the presence of stewardship codes correlates with stronger environmental and social voting practices, we leveraged the E&S alignment results from Part 1 of this report. Based on the revealed voting behavior of 42 pension funds across the six target countries, we categorized each market into one of three groups (high, medium, or low) according to their aggregate E&S voting performance.

The classification was determined by identifying the top-performing markets from Part 1B, with Sweden (0.6072) and the Netherlands (0.5754) demonstrating the highest alignment and thus placed in the high category. Pension funds in Switzerland (0.5664) and Denmark (0.5324), which exhibited moderate alignment, were classified as medium performers. The UK, with the lowest recorded E&S voting performance (0.5052), was placed in the low category alongside Germany, where the absence of sufficient voting disclosure prevented an accurate E&S alignment estimate. Table A1 in the Appendix shows pension funds' mean "Voting for Sustainability" score by country and by category for further context. This categorization provides a structured basis for examining potential links between stewardship code adoption and pension funds' commitment to sustainability-focused voting practices.

Building on these categorizations, we overlaid information on whether each market maintains a formal stewardship code. This dual-layered approach facilitates a direct comparison between regulatory frameworks and the voting behaviors uncovered in Part 1, allowing us to explore whether the existence of a stewardship code aligns with a stronger commitment to sustainability in proxy voting. By placing countries into discrete clusters of "high," "medium," or "low" alignment and pairing those clusters with the presence or absence of a code, we can highlight patterns and potential discrepancies helping us discern whether stewardship codes indeed act as a catalyst for E&S alignment.

We consolidated the findings into a comparative grid (See Table 5). This approach allows us to gauge whether having a stewardship code is associated with stronger alignment on environmental and social issues—or

---

50 The Committee on Corporate Governance. (2016). Stewardship Code. Retrieved from https://corporategovernance.dk/sites/default/files/2023-08/Stewardship-code-Nov2016_WA.pdf

51 The SRD II aims to promote long-term shareholder engagement and transparency among institutional investors and asset managers. However, some scholars argue that the implementation of SRD II may be insufficient to establish a robust stewardship regime in Denmark, suggesting that additional initiatives might be necessary to enhance institutional investor engagement (e.g., see Birkmose & Madsen, 2022).

52 Source: https://corporategovernance.dk/stewardship-code

53 The Committee on Corporate Governance. (2016). Stewardship Code. Retrieved from https://corporategovernance.dk/sites/default/files/2023-08/Stewardship-code-Nov2016_WA.pdf

whether other contextual factors, such as domestic regulatory traditions, investor culture, average pension fund size, or the size of the local fund sector for example play an equal or larger role. By placing countries into these discrete groupings, we can more clearly observe patterns or mismatches, setting the stage for a deeper discussion of whether stewardship codes, in practice, act as a reliable anchor for voting requirements.

The table below captures these cross-references, underscoring that the presence of a stewardship code does not, by itself, guarantee greater E&S voting alignment.

Table 5: Relationship between Stewardship Code presence and E&S voting alignment

E&S Alignment Observed	Stewardship Code	No Stewardship Code
High	Netherlands	Sweden
Medium	Switzerland	Denmark
Low	United Kingdom	Germany

In broad terms, the table indicates that neither the mere presence of a stewardship code nor its absence can solely predict strong alignment with environmental and social principles among pension funds. For example, the Netherlands characterized by both a formal stewardship code and robust disclosure practices exhibits strong E&S voting outcomes. In contrast, the United Kingdom, despite its pioneering and well-established stewardship framework, appears to underperform in comparison, with relatively lower E&S alignment in our analysis.

Sweden presents an interesting case where high E&S voting alignment is achieved without a dedicated stewardship code. This suggests that strong institutional norms, active shareholder engagement, and robust ownership policies can emerge outside of formal code-based systems, underlining the importance of market culture and structure, and proactive investor behavior.

Neither the mere *presence of a stewardship code nor its absence* can solely predict strong *alignment with environmental and social principles*

Countries with medium performance, such as Switzerland and Denmark, demonstrate that having a stewardship code or related statutory provisions may contribute to moderate levels of disclosure and alignment. Switzerland's recent voluntary code and Denmark's transition to statutory rules correlate with middling E&S voting outcomes. However, these observations are provisional and should not be taken as definitive evidence that the codes directly cause these results. Instead, they suggest that while codes may set a framework, other contextual factors (such as regulatory traditions, investor culture, and market size) also significantly influence voting practices. Germany, lacking a dedicated stewardship code and exhibiting lower E&S voting alignment, underscores the potential challenges in markets where traditional governance approaches persist and formalized investor stewardship is not prioritized.

Overall, these findings illustrate that stewardship codes can be associated with improved practices, but their mere existence is not a guaranteed predictor of high performance. The effectiveness of stewardship codes likely depends on the extent to which institutional investors actively embrace, implement, and enforce their principles amidst a variety of contextual influences. These interpretations remain provisional, serving as an illustrative guide rather than conclusive evidence, and suggest avenues for further research and policy refinement.

Conclusion

The importance of robust proxy voting in driving sustainable corporate behavior cannot be overstated. With pension funds managing over $63.1 trillion USD in assets worldwide, their voting decisions wield enormous influence over companies' environmental and social practices. This report set out to address critical gaps in our understanding of pension funds' proxy voting by examining internal transparency, actual voting behavior, and the role of both best practices and external regulatory frameworks.

In Part 1A, we established a comprehensive empirical foundation by examining how 122 pension funds across the United Kingdom, Switzerland, the Netherlands, Denmark, Sweden, and Germany disclose their proxy voting practices. Our analysis reveals marked differences between countries. Dutch funds stand out for their strong commitment to transparency, with most of them publishing both formal voting policies and detailed company-level voting records. In contrast, UK and Danish funds exhibit more moderate levels of policy disclosure, while Swiss and Swedish funds, despite having fewer formal policy documents, tend to provide a relatively high level of detail in their voting records. German funds, on the other hand, demonstrate significant gaps in transparency, with none of the sampled funds publishing formal voting policies and only one fund offering granular voting records. These variations, further illuminated by insights from nine expert interviews, indicate that factors such as fund size, whether a fund is public or private, and the prevailing market culture substantially influence disclosure practices across these markets.

Building on the foundation established in Part 1A, Part 1B delves into the actual voting behavior of the 42 funds that provided detailed company-level records. Using the innovative rezonanz Voting for Sustainability methodology, we quantitatively assessed how effectively these funds align their votes on environmental and social proposals with sustainability objectives. The analysis uncovers considerable variation in sustainability alignment both across and within European pension funds. Swedish funds consistently demonstrate the strongest alignment with sustainability objectives across different E&S themes, closely followed by those in the Netherlands, though both markets exhibit notable differences among individual funds. Danish funds display the widest range, with some achieving very high alignment while others remain comparatively low, and Swiss funds generally occupy a moderate-to-high range, albeit with a few outliers. In contrast, UK pension funds tend to show the weakest overall support for E&S proposals. Collectively, these findings highlight the complex interplay of market-level trends and fund-specific factors that shape sustainability voting practices among European pension funds.

In Part 2, we derived actionable best practices by focusing on the top-performing pension funds identified in Part 1B across four thematic E&S areas: Climate Change, Politics & Lobbying, Other Environmental & Social Issues, and Diversity, Workers', and Human Rights. Through a detailed review of their voting policies, we identified common themes and provisions that underpin their strong E&S performance. The analysis revealed best practices such as commitments to climate action, including net-zero goals and robust disclosure requirements, as well as efforts to ensure board accountability on climate and social issues. We also found that diversity thresholds, transparency in lobbying activities, efforts to safeguard human rights, and strong policies on biodiversity protection are consistently highlighted. These insights not only provide actionable recommendations for funds looking to strengthen their own voting policies but also illustrate how pension funds can translate high-level sustainability principles into concrete actions that drive corporate change and mitigate risks.

Finally, Part 3 contextualizes these internal practices within the broader regulatory environment by examining the role of national stewardship codes in the six countries. Drawing on academic literature and insights from nine expert interviews, we find that while stewardship codes are generally seen as useful frameworks to promote transparency and accountability, they do not guarantee superior disclosure rates and voting performance. For example, the Netherlands, which maintains a formal stewardship code, shows strong E&S voting alignment, whereas in the United Kingdom, despite its established code, pension funds exhibit lower alignment. In contrast, Sweden achieves high sustainability alignment even without a dedicated stewardship code, suggesting that robust institutional norms and active investor engagement can sometimes substitute for formal regulatory frameworks. Overall, our analysis indicates that stewardship codes are neither a necessary nor a sufficient condition for achieving superior E&S-aligned voting behavior; rather, their effectiveness depends heavily on local regulatory traditions, market culture, and the broader context in which pension funds operate.

Overall, this report is novel in its integrated approach—linking internal disclosure, actual voting behavior, and best practice identification—to provide a holistic view of pension funds' proxy voting activities. The actionable insights derived here not only contribute to academic debate but also offer concrete recommendations for pension funds and practitioners aiming to enhance stewardship practices and drive long-term sustainable outcomes in the global economy. By combining rigorous quantitative analysis with qualitative insights from expert interviews, this report lays a robust foundation for increased transparency in proxy voting, enabling stakeholders to more effectively hold funds accountable. Moreover, the framework developed herein serves as a model for future research and policy initiatives, fostering a deeper understanding of how to align pension fund practices with sustainability objectives.

Appendices

A1: Pension Funds Studied

UNITED KINGDOM

Aviva Pension Scheme
BAE Systems Scheme
Barclays Bank UK Retirement Fund
BBC Pension Trust Ltd
British Airways Pensions
British Steel Pension Scheme
Brunel Pension Partnership Limited
BT Pension Scheme
Electricity Supply Pension Scheme
Greater Manchester Pension Fund
HSBC Bank Pension Scheme
Lloyds Bank Pension Scheme
Local Government Pension (LGPS)
M&S Pension Scheme
National Employment Savings Trust
NatWest Group Pension Fund
Pension Protection Fund (PPF)
Railway Pension Investments Limited
Shell Contributory Pension Fund
Unilever Pension Fund
Universities Superannuation Scheme Limited
West Midland Pension Fund

SWITZERLAND

Aargauische Pensionskasse (APK)
ASGA Pensionskasse
AXA Foundation for Occupational Benefits
Bernische Pensionskasse
BVK Personalvorsorge des Kantons Zürich
Compenswiss - Fonds de compensation AVS
ComPlan
Coop Pensionskasse
CPEG Caisse de prévoyance de l'Etat de Genève
Fonds de Pensions Nestlé
Gemini Sammelstiftung
MPK Migros-Pensionskasse
Nest Sammelstiftung
Novartis Pension Fund
PAT BVG
Pensionskasse des Bundes Publica
Pensionskasse Post
Pensionskasse SBB
Previs Personalvorsorgestiftung Service Public
Profond Vorsorgeeinrichtung
Proparis
Swiss Life Collective Foundation

SWEDEN

Alecta
AMF Fonder AB
AMF Pension
AP1 (Första AP-fonden)
AP2 (Andra AP-fonden)
AP3 (Tredje AP-fonden)
AP4 (Fjärde AP-fonden)
AP6 (Sjätte AP-fonden)
AP7 (Sjunde AP-fonden)
Folksam
Futur Pension
Handelsbanken Liv
Kåpan Pensioner
KPA Pension
Länsförsäkringar Pension
Movestic Liv & Pension
PP Pension
PRI Pensionsgaranti
Skandia
SPK (Svenska Personal-Pensionskassan)
SPP (Storebrand Group)

THE NETHERLANDS

ABP
BPF BOUW
MN[1]
Pensioenfonds ABN AMRO
Pensioenfonds Horeca & Catering
Pensioenfonds ING
Pensioenfonds KLM
Pensioenfonds PGB
Pensioenfonds PNO Media
Pensioenfonds Van Lanschot
Pensioenfonds Vervoer
Pensioenfonds Zorg en Welzijn (PFZW)
PGGM N.V.

1 Note: PGGM and MN of the Netherlands are classified as pension funds in study due to their primary focus on managing pension fund assets, making them highly relevant for comparison in the context of institutional investor behavior. While both institutions serve a limited number of clients beyond pension funds, their core business is centered around the long-term, sustainable investment goals of pension schemes, making their proxy voting and engagement practices pertinent for this comparative analysis.

PME (Pensioenfonds van de Metalektro)
PMT (Pensioenfonds Metaal en Techniek)
Stichting Pensioenfonds DSM Nederland
Stichting Pensioenfonds Hoogovens
Stichting Pensioenfonds KPN
Stichting Pensioenfonds Medewerkers Apotheken
Stichting Pensioenfonds Voor Huisartsen

GERMANY

Alte Leipziger Pensionskasse AG
Bayerische Versorgungskammer (BVK)
BVV (Berufsständische Versorgungseinrichtungen)
Continentale Pensionskasse
Debeka Pensionskasse
Deutsche Rentenversicherung (DRV)
E.ON Pensionsfonds
Hannoversche Pensionskasse
HDI Pensionskasse
HUK-Coburg Pensionskasse
MetallRente
Provinzial Pensionskasse
R+V Pensionskasse
Telekom Pensionsfonds
Versorgungswerk der Architektenkammern
Versorgungswerk der Ärztekammern
Versorgungswerk der Rechtsanwälte
Versorgungswerk der Wirtschaftsprüfer & Steuerberater
Volkswohl Bund Pensionskasse
Württembergische Pensionskasse

DENMARK

AkademikerPension
Alm. Brand Liv og Pension
AP Pension
ATP (Arbejdsmarkedets Tillægspension)
Danica Pension
Industriens Pension
JØP (Juristernes og Økonomernes Pensionskasse)
Lægernes Pension
Lærernes Pension
LD Fonde
Nordea Liv & Pension Danmark
Pædagogernes Pension (PBU)
PenSam
PensionDanmark
PFA Pension
PKA
Sampension

A2: Overall Investor Voting Behavior

Figure 8 below presents the boxplot distribution of the 2024 aggregate sustainability scores for all 153 investors—both asset managers and asset owners—using the Voting for Sustainability methodology. In this visualization, the 42 pension funds that are the focus of the main report are highlighted in color, while the remaining investors are plotted in grey for reference.

This comprehensive view allows us to draw general conclusions about investor voting behavior and to compare the performance of asset managers with that of asset owners. Consistent with existing research (Bolton et al., 2020), our analysis reveals that, on average, pension funds exhibit slightly stronger alignment with sustainability than asset managers—the average score difference is 0.03 points on a 0–1 scale. However, this modest advantage conceals considerable variation within both groups, as each includes both sustainability leaders and laggards.

The boxplot illuminates the distinct voting patterns between asset managers & asset owners

Figure 9 displays the boxplot distribution of the 2024 subtopic scores for asset owners and asset managers. This figure breaks down sustainability alignment into four thematic areas—Climate Change, Diversity, Workers' & Human Rights, Politics & Lobbying and Other Environmental & Social issues—to provide additional context on how voting behavior varies within these dimensions. By highlighting these differences, the boxplot helps illuminate the distinct voting patterns between asset managers and asset owners, complementing the broader analysis presented in the main report.

Figure 8: Boxplot distribution of 2024's aggregate scores for asset owners and asset managers. (Jitter is applied to avoid overlapping points.)

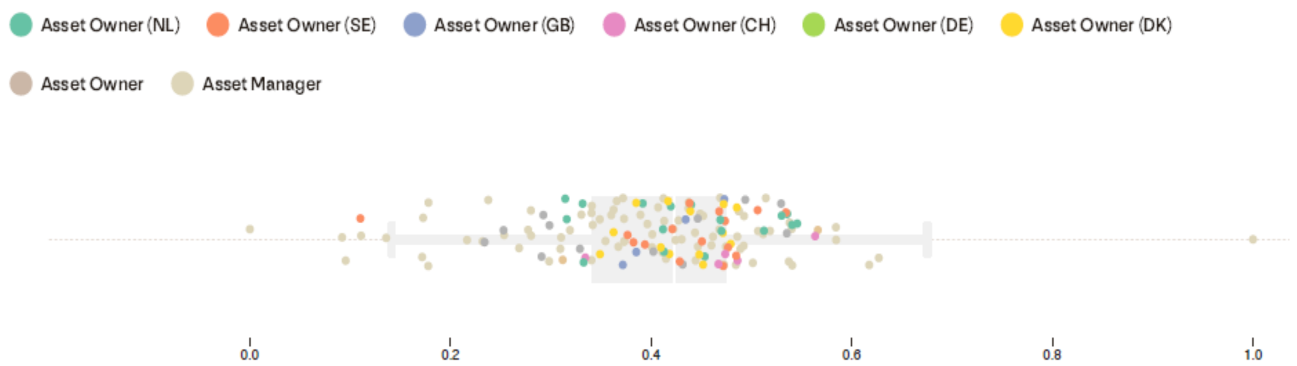
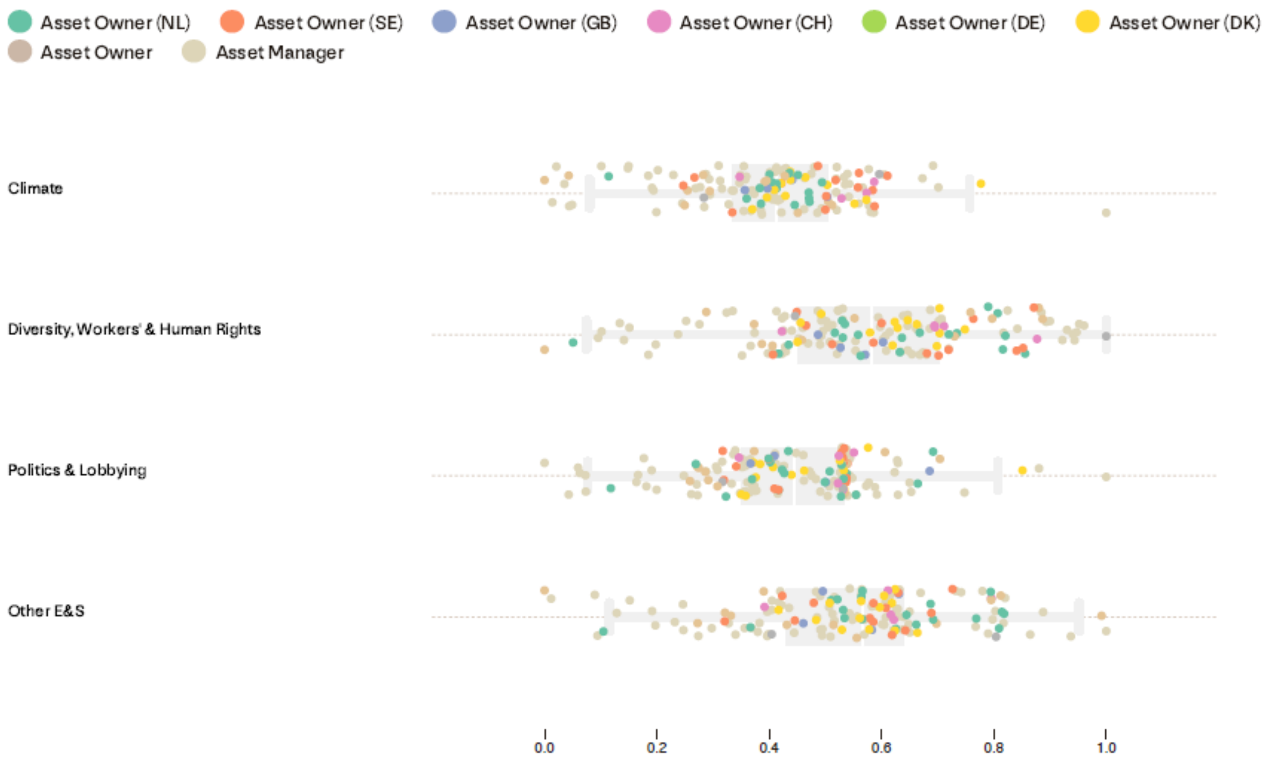


Figure 9: Boxplot distribution of 2024's subtopic scores for asset owners and asset managers. (Jitter is applied to avoid overlapping points.)



A3: Mean Scores by Country and Topic

Table A1: Pension funds' mean "Voting for Sustainability" score by country & category

Country	Climate	Diversity, Workers' & Human Rights	Other E&S	Politics & Lobbying	Mean score by country
Denmark	0.48	0.62	0.57	0.47	0.53
Germany	NA	NA	NA	NA	NA
Netherlands	0.45	0.69	0.67	0.49	0.58
Sweden	0.55	0.75	0.64	0.52	0.61
Switzerland	0.51	0.68	0.61	0.50	0.57
United Kingdom	0.42	0.55	0.54	0.49	0.51
Mean score by category	0.48	0.67	0.61	0.49	

Note: Results range from 0 to 1 with higher scores indicating higher E&S voting performance.

References

Agrawal, A. K. (2012). Corporate governance objectives of labor union shareholders: Evidence from proxy voting. The Review of Financial Studies, 25(1), 187-226.

Arsalidou, D. (2012). Shareholders and corporate scrutiny: the role of the UK Stewardship Code. European company and financial law review, 9(3), 342-379.

Barko, T., Cremers, M., & Renneboog, L. (2022). Shareholder engagement on environmental, social, and governance performance. Journal of Business Ethics, 180(2), 777-812.

Birkmose, H. S., & B Madsen, M. (2020). The Danish Stewardship Code–The Past, the Present and the Future. Edited version to be published as a chapter in 'Global Shareholder Stewardship: Complexities, Challenges and Possibilities', Dionysia Katelouzou & Dan W. Puchniak (eds), Cambridge University Press (Forthcoming), Nordic & European Company Law Working Paper, (20-01).

Bolton, P., Li, T., Ravina, E., & Rosenthal, H. (2020). Investor ideology. Journal of Financial Economics, 137(2), 320-352.

Brav, A., Jiang, W., Li, T., & Pinnington, J. (2020). Picking Friends Before Picking (Proxy) Fights: How Mutual Fund Voting Shapes Proxy Contests. Columbia Business School Research Paper, (18-16).

Broccardo, E., Hart, O., & Zingales, L. (2022). Exit versus voice. Journal of Political Economy, 130(12), 3101-3145.

Bubb, R., & Catan, E. M. (2022). The party structure of mutual funds. The Review of Financial Studies, 35(6), 2839-2878.

Cheffins, B. R. (2010). The stewardship code's achilles' heel. The Modern Law Review, 73(6), 1004-1025.

Chuah, K., DesJardine, M. R., Goranova, M., & Henisz, W. J. (2024). Shareholder activism research: A system-level view. Academy of Management Annals, 18(1), 82-120.

Clinton, J., Jackman, S., & Rivers, D. (2004). The statistical analysis of roll call data. American Political Science Review, 98(2), 355-370.

Davies, P. (2022). The UK Stewardship Code 2010–2020. From saving the company to saving the planet? European Corporate Governance Institute Law Working Paper No. 506/2020.

Del Guercio, D., & Hawkins, J. (1999). The motivation and impact of pension fund activism. Journal of financial economics, 52(3), 293-340.

Dikolli, S. S., Frank, M. M., Guo, Z. M., & Lynch, L. J. (2022). Walk the talk: ESG mutual fund voting on shareholder proposals. Review of Accounting Studies, 27(3), 864-896.

Dimson, E., Karaka~, O., & Li, X. (2021). Coordinated engagements. European Corporate Governance Institute–Finance Working Paper, 721(6).

Ertimur, Y., Ferri, F., & Oesch, D. (2013). Shareholder votes and proxy advisors: Evidence from say on pay. Journal of Accounting Research, 51(5), 951-996.

Fahlenbrach, R., Rudolf, N., & Wegerich, A. (2024). Leading by Example: Can One Universal Shareholder's Voting Pre-Disclosure Influence Voting Outcomes?. European Corporate Governance Institute–Finance Working Paper, (958).

Fenwick, M., & Vermeulen, E. P. (2018). Institutional Investor Engagement: How to Create a 'Stewardship Culture'. Lex Research Topics in Corporate Law & Economics Working Paper, (2018-1).

Financial Times. (2024). Proxy season results show support for ESG efforts continues to ebb. Retrieved from https://www.ft.com/content/1089ff59-47b9-41a2-83b1-98a205587b23

Financial Times. (2025). Long-term investors split with asset managers over climate risk. Retrieved from https://www.ft.com/content/0a703624-37ba-4d87-af67-3d7d15caf306

Gillan, S. L., & Starks, L. T. (2000). Corporate governance proposals and shareholder activism: The role of institutional investors. Journal of financial Economics, 57(2), 275-305.

Griffin, C. N. (2020). Environmental & social voting at index funds. Del. J. Corp. L., 44, 167.

Hill, J. G. (2017). Good activist/bad activist: The rise of international stewardship codes. Seattle UL Rev., 41, 497.

Ho, J. K. S. (2016). Bringing responsible ownership to the financial market of Hong Kong: how effective could it be?. Journal of Corporate Law Studies, 16(2), 437-469.

Imai, K., Lo, J., & Olmsted, J. (2016). Fast estimation of ideal points with massive data. American Political Science Review, 110(4), 631-656.

Investment & Pensions Europe. (202). Japan's GPIF reviews stewardship principles, adds FI and alternatives. Retrieved from https://www.ipe.com/japans-gpif-reviews-stewardship-principles-adds-fi-and-alternatives/10044210.article

Katelouzou, D., & Puchniak, D. W. (2021). Global shareholder stewardship: complexities, challenges, and possibilities. Cambridge University Press, Forthcoming, European Corporate Governance Institute-Law Working Paper, (595).

Katelouzou, D., & Siems, M. (2022). The global diffusion of stewardship codes. Cambridge University Press.

Katelouzou, D., & Sergakis, K. (2021). When harmonization is not enough: shareholder stewardship in the European Union. European Business Organization Law Review, 22(2), 203-240.

Kaur, H., Xi, C., Van der Elst, C., & Lafarre, A. (Eds.). (2022). The Cambridge handbook of shareholder engagement and voting. Cambridge University Press.

Klettner, A. L. (2017). The impact of stewardship codes on corporate governance and sustainability. New Zealand Business Law Quarterly.

Klettner, A. (2021). Stewardship codes and the role of institutional investors in corporate governance: An international comparison and typology. British Journal of Management, 32(4), 988-1006.

Kölbel, J. F., Heeb, F., Paetzold, F., & Busch, T. (2020). Can sustainable investing save the world? Reviewing the mechanisms of investor impact. Organization & Environment, 33(4), 554-574.

Li, T. (2018). Outsourcing corporate governance: Conflicts of interest within the proxy advisory industry. Management Science, 64(6), 2951-2971.

Lu, C., Christensen, J., Hollindale, J., & Routledge, J. (2018). The UK Stewardship Code and investee earnings quality. Accounting Research Journal, 31(3), 388-404.

Majoch, A. A., Hoepner, A. G., & Hebb, T. (2017). Sources of stakeholder salience in the responsible investment movement: why do investors sign the principles for responsible investment?. Journal of Business Ethics, 140, 723-741.

Malenko, A., Malenko, N., & Spatt, C. S. (2021). Creating controversy in proxy voting advice (No. w29036). National Bureau of Economic Research.

Malenko, N., & Shen, Y. (2016). The role of proxy advisory firms: Evidence from a regression-discontinuity design. The Review of Financial Studies, 29(12), 3394-3427.

Marti, E., Fuchs, M., DesJardine, M. R., Slager, R., & Gond, J. P. (2024). The impact of sustainable investing: A multidisciplinary review. Journal of Management Studies, 61(5), 2181-2211.

Michaely, R., Rubio, S., & Yi, I. (2023). Voting rationales. Available at SSRN 4521854.

Morningstar (2024). Voice of the Asset Owner Survey 2024: Quantitative Insights. https://indexes.morningstar.com/insights/analysis/blt435a08d683d95490/voice-of-the-asset-owner-survey-2024-quantitative-analysis

OECD (2024), Pension Markets in Focus 2024, OECD Publishing, Paris, https://doi.org/10.1787/b11473d3-en.

Puchniak, D. W. (2024). The false hope of stewardship in the context of controlling shareholders: Making sense out of the global transplant of a legal misfit. The American Journal of Comparative Law, avae011.

Reisberg, A. (2015). The UK Stewardship Code: on the road to nowhere?. Journal of Corporate Law Studies, 15(2), 217-253.

Responsible Investor. (2024). FRC aims to ease burden with immediate changes to Stewardship Code reporting. Retrieved from https://www.responsible-investor.com/frc-aims-to-ease-burden-with-immediate-changes-to-stewardship-code-reporting/

Ringe, W. G. (2021). Stewardship and shareholder engagement in Germany. European Business Organization Law Review, 22(1), 87-124.

Roach, L. (2011). The UK stewardship code. Journal of Corporate Law Studies, 11(2), 463-493.

Shiraishi, Y., Ikeda, N., Arikawa, Y., & Inoue, K. (2022). Stewardship code, institutional investors, and firm value: International evidence. Institutional Investors, and Firm Value: International Evidence (January 14, 2022).

The Times. (2024, November). FRC plan to drop 'environment and society' from stewardship code. Retrieved from https://www.thetimes.com/business-money/markets/article/frc-plan-to-drop-environment-and-society-from-stewardship-code-98m9brbhm?utm_source=chatgpt.com&region=global

Tilba, A., & McNulty, T. (2013). Engaged versus disengaged ownership: The case of pension funds in the UK. Corporate Governance: an international review, 21(2), 165-182.

Van der Elst, C., & Lafarre, A. (2020). Shareholder Stewardship in the Netherlands: The Role of Institutional Investors in a Stakeholder Oriented Jurisdiction. European Corporate Governance Institute-Law Working Paper, 492.

Vletter-van Dort, H., & Keijzer, T. (2018, September 27). Can the first Dutch stewardship code encourage investors to act as stewards? Harvard Law School Forum on Corporate Governance. https://corpgov.law.harvard.edu/2018/09/27/can-the-first-dutch-stewardship-code-encourage-investors-to-act-as-stewards/

rezonanz