

# ESG: “Reports of my demise have been greatly exaggerated.”

March 2026

Our survey of 100 UK asset owners shows that ESG is more important to them than it was two years ago, despite a perceived industry backlash. Most investors surveyed expect their managers to do more, especially on climate. And a clear majority (87%) still see stewardship as being effective in driving change.

**We encourage asset owners to assess their managers’ responsible investment capabilities, and evolve their approach to engagement.**

## Is it ‘RIP’ for RI...?

In the US, intense political rhetoric and reversals of climate policies have fuelled a perception that responsible investment (RI) is no longer relevant. Because when large US asset managers and service providers reduce their sustainability activities, doesn’t the rest of the world follow suit?

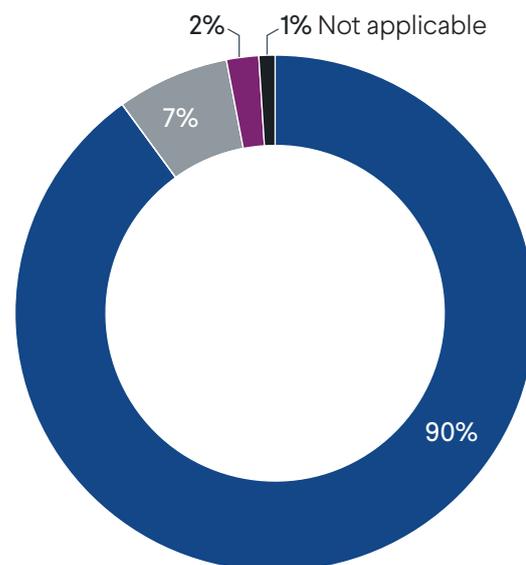
## ... not according to our data

We don’t accept this narrative, and – crucially – it isn’t what our clients tell us about their beliefs and needs. We’ve surveyed 100 asset owners, including pension fund trustees and managers, about the value they placed on ESG and stewardship, how their attitudes have changed over the last two years, and what they’re doing differently.

Our research revealed that asset owners recognise the landscape is changing for asset managers and investee companies – they see ESG issues as becoming more complex and challenging.

This isn’t surprising as [intensifying physical climate-related risks](#) catalyse [record insurance losses](#); geopolitical tensions raise questions around defence investment and supply-chain vulnerability; and new technologies, particularly AI, create new challenges. What may be more surprising is that 35% of those surveyed say they’re now much more comfortable regarding ESG, with qualitative reasons including improved transparency, reduced greenwashing and greater alignment with tangible real-world outcomes.

Figure 1: ESG is increasingly complex.  
**90% say ESG considerations are becoming more complex; 2% disagree; 7% say same.**



## So, is the ESG backlash real?

In terms of where the so-called backlash is being felt among UK asset owners, our data shows a more nuanced picture. We've identified a perceived impact on asset managers' ability to undertake stewardship, with 59% of those surveyed thinking this is harder. This is broadly consistent with our view: last year's change in regulatory guidance for asset managers' stewardship activity limits large US managers in proactively influencing companies, weakening clear messaging and accountability of company management.

But this hasn't stopped investors from taking ESG issues seriously – and acting on them. When we asked asset owners how activity had changed compared with two years ago, 51% of the clients surveyed said they had conducted engagement specifically about declining ESG/stewardship capabilities in the current environment. In other words, it's clear that ESG is more important to asset owners.

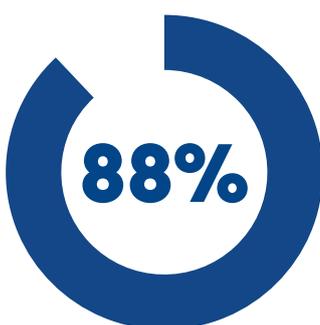
Indeed, 48% of respondents reported undertaking more RI/stewardship activity (34% reported less; 18% the same amount). This included more training, detailed assessments of manager capabilities and focused engagement. In those discussions with managers, investors' expectations are clear:

Figure 2: ESG's importance is rising, not falling. **81% say ESG is more important than 2 years ago; 10% say less; 9% say same.**

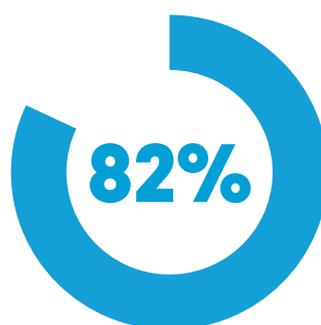


**67% of asset owners expect their managers to do more on responsible investment.**

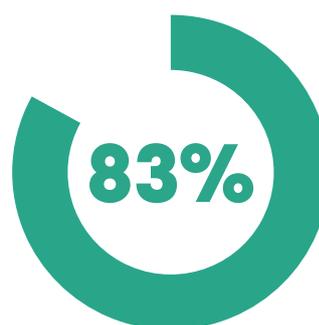
However, there's a growing schism between asset managers' activity and investors' expectations. Where investment managers step back, investors must step up to ensure their voice is heard. This is most acute in relation to climate change. It's clear that long-term investors recognise the critical role of asset managers in identifying and addressing climate-related risks. **Our survey of asset owners found that:**



agree managers should explicitly acknowledge climate as a systemic risk.



agree managers should have the tools/data to assess climate risks/opportunities.



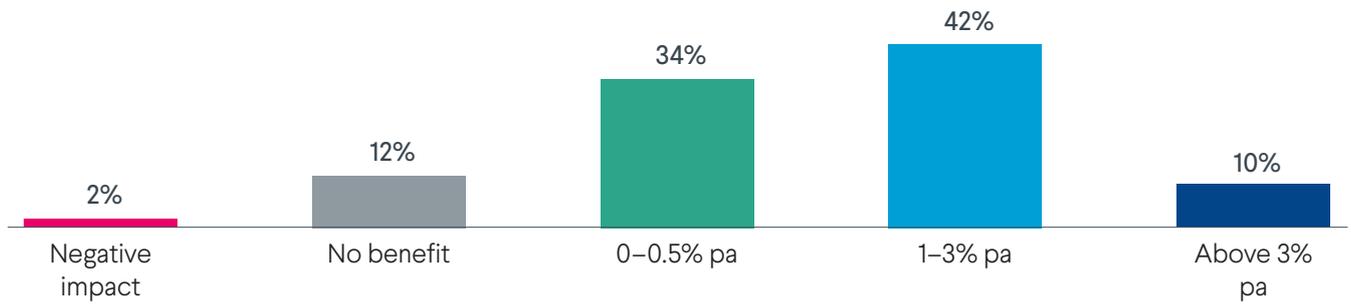
agree managers should facilitate financing the low-carbon economy.



agree managers should use influence in the investment value chain.

In case you were still in doubt, stewardship is seen as effective and value-adding. What's more, they perceive a material value in stewardship driving financial outcomes: 87% of those surveyed rate stewardship as being effective on financial impact. Indeed, 42% expect to add +1–3% pa, just 12% see no benefit and 2% foresee a negative impact.

Figure 3: How do you expect stewardship to benefit financial outcomes?



## What can investors do? And how can we help?

**Undertake further training on complex issues.** As systemic risks evolve and new issues arise, understanding and expertise are more important than ever. Clear, practical, expert guidance will help you navigate the issues.

**Update policies to clarify expectations of managers.** Clear policy helps embed views in investment decisions, and communication with members and service providers.

**Assess your investment managers' capabilities** across a range of RI issues and challenge them on emerging and systemic long-term risks such as climate, nature and AI. It's also a good time to compare managers against investor beliefs/policy. For example, our RI Ratings review provides an objective approach to determining sustainability ratings for managers and products.

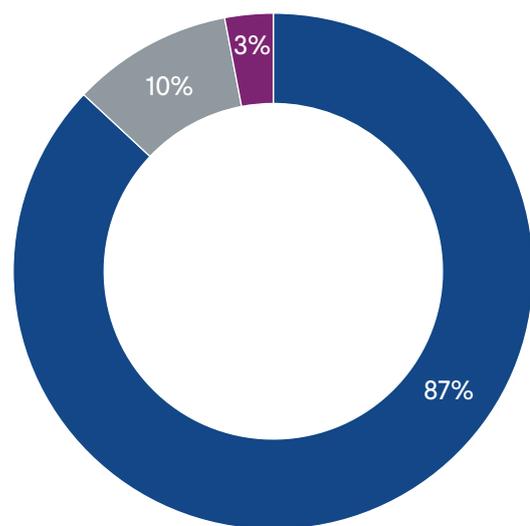
**Continue to engage...** Where managers face opposing client demands, it's increasingly important to highlight concerns and base challenge in evidence, materiality and sustainable long-term value. Our in-house asset manager engagement programme, Hymans Engage, helps in this regard by driving incremental improvements in asset managers' stewardship ambitions.

**...but review effectiveness of your stewardship programme.** The landscape in which companies and asset managers operate has changed, and so must the way that asset owners engage with managers. Reviewing your engagement framework, refreshing objectives and logging activity in line with updated UK Stewardship Code reporting will keep your programmes up to date.

**Be pragmatic and integrate learnings into investment decision-making.** Assessing manager approaches and capabilities helps to identify which managers and investment solutions are best aligned with your expectations. Ultimately, stewardship should complement investment decisions.

Figure 4: Most investors believe stewardship is effective in driving change.

**87% say stewardship is moderately or very effective; 3% disagree; 10% consider it to be neutral.**



In short, despite the political noise and regulatory climate in the US, we found that most UK asset owners recognise the importance and complexity of ESG issues, expect more of their managers and still believe in the value of stewardship.

## RI may be more complex, but it's more important than ever – don't give up!

### Contact us

If you'd like to discuss what these themes mean for your portfolio, please contact your usual Hymans Robertson consultant or any member of our Responsible Investment team.

### For and on behalf of Hymans Robertson LLP



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