

# Crack the Code: A guide to the UK Stewardship Code 2026

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On 3 June 2025, the Financial Reporting Council (“**FRC**”) [published](#) its new UK Stewardship Code 2026 (the “**Code**”). The voluntary Code applies to asset managers, asset owners and services providers with the aim of providing greater transparency on reporting in respect of the stewardship roles undertaken on behalf of clients and beneficiaries.

Although the UK Stewardship Code is voluntary, certain UK-regulated firms are required to disclose their adherence to it under the Financial Conduct Authority’s Handbook (specifically under Environmental, Social and Governance sourcebook and Conduct of Business sourcebook). The Code is widely embraced across not only the UK asset management sector, but also by international firms and non-UK managers, with a current status of 297 signatories managing £52.3 trillion in assets under management, making it highly relevant to a broad range of firms.

## **The Main Features of the new 2026 Code include:**

### **1. Streamlined Reporting Requirements**

The number of principles has reduced and reporting prompts have been shortened with the aim to avoid a “box-ticking” approach.

Signatories can now choose between submitting:

- A combined report (to be made annually during one of the two application windows); or
- Separate Policy and Context Disclosures (to be made every 4 years) and Activities and Outcomes Reports (to be made annually).

### **2. Refined Definition of Stewardship**

The definition has been revised to clarify that stewardship is about the responsible allocation, management, and oversight of capital to create long-term sustainable value for clients and beneficiaries. The previous definition from the 2020 code was considered by some to imply by some that stewardship encompassed a duty to deliver on societal or environmental benefits in addition to the economic aspect.

### **3. Tailored Principles for Different Signatories**

New specific principles have been introduced for proxy advisors, investment consultants and engagement service providers.

### **4. Optional Guidance for Non-Equity Asset Classes**

The FRC has published draft guidance which can be found [here](#) to help organisations report on stewardship across asset classes beyond listed equity, such as fixed income or real estate.

### **What does this mean for Asset Managers, Asset Owners, and Service Providers?**

In essence, the new Code will allow for more focused reporting as either a single combined report can be submitted or, alternatively, split into a separate policy and Context Disclosure and Activities and Outcomes Report – this will hopefully reduce the administrative burden and allow more flexibility with the stewardship role.

The Code will also likely trigger more substantive engagement as managers must show how stewardship activities (such as engagement or voting) have influenced investment decisions or outcomes.

The optional guidance will also provide asset managers the chance to report on stewardship with respect to non-equity assets which will be beneficial for diversified portfolios or multi-asset strategies.

Lastly, the Code now distinguishes between different types of signatories, so asset managers for example, are assessed based on their specific role and influence in the investment chain, and this more tailored approach may enhance the relevance of the principles to certain signatories.

### **Key Dates for applying**

The Code will have two application windows for signatories or hopefully signatories to submit reports:

- Spring 2026: applications from asset managers and service providers will be due by 30 April 2026. Applications from asset owners will be due by 31 May 2026.
- Autumn 2026: all applications will be due by 31 October 2026.

## **Transition period**

To support the move towards the UK Stewardship Code, 2026 will be treated as a transition year. All existing signatories submitting a renewal application will remain on the signatory list throughout this period. The reasoning behind the transition period is to recognise that organisations will have already met the requirements under the 2020 code and will seek to encourage them to embrace the updated Code without the need for reassessment by the FRC.

Current signatories to the Stewardship Code who are scheduled to report in the autumn cycle are still expected to provide their reports by 31 October 2025.

For new signatories that are not party to the current 2020 code, they will be subject to the full assessment process.

## **How can firms get ready for the new Code?**

### **1. Review and Understand the 2026 Code**

Check the refined definitions of stewardship and how it aligns with your firm's investment philosophy or values. Familiarise your team with the revised principles paying attention to the new structure and reporting options.

### **2. Assess Current Practices**

Consider conducting a gap analysis comparing your current stewardship policies and reporting against the new Code.

### **3. Choose a Reporting Path**

Decide whether to submit a combined report or to split the reporting disclosures based on internal resources and complexity of your investment strategies.

### **4. Engage with Service Providers**

If you use proxy advisors, consultants, or engagement services, ensure they are aware of the new Code and have measures in place to support your compliance. A review of contracts and expectations would also be beneficial to align with the Code's tailored principles for these providers.

There is also the option to submit feedback on the draft guidance (especially for non-equity asset classes) before the 31 August 2025 deadline (Comments can be sent to [stewardshipcode@frc.org.uk](mailto:stewardshipcode@frc.org.uk)).

For further information, please reach out to [ukreg@proskauer.com](mailto:ukreg@proskauer.com)

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