

ESG Teams Are Growing

- **The dramatic increase in the number of ESG professionals at key investors means more eyeballs will be looking for ESG leaders and laggards, ramping-up pressure on companies to improve their ESG-related practices**

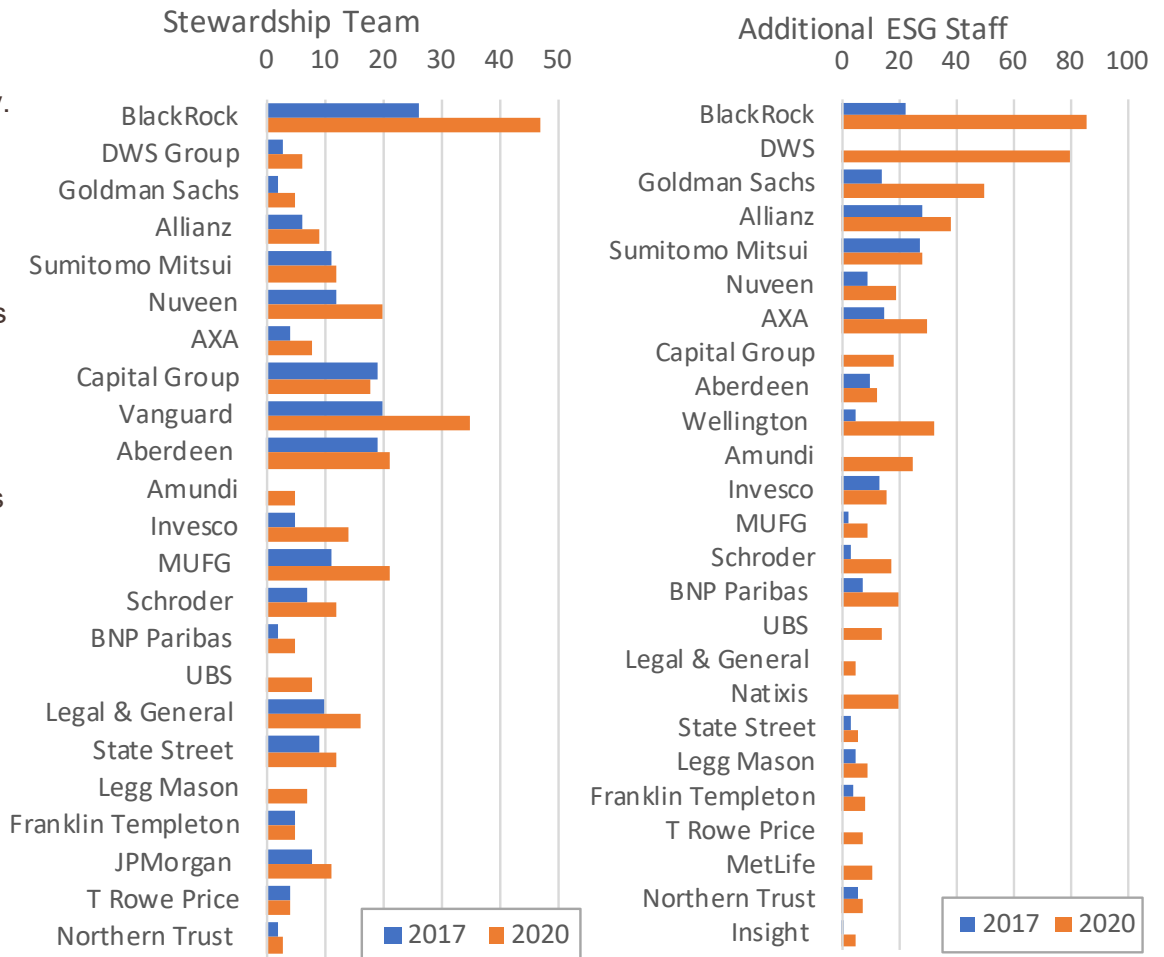
There are markedly more ESG professionals at asset managers according to a recent study by the Financial Times.

Dedicated stewardship teams responsible for overseeing ESG issues at portfolio companies doubled in the last three years. BlackRock and Vanguard, the world's two largest asset managers, unsurprisingly have the two largest teams, but there are surprises when evaluating the numbers for others. For example, State Street Global Advisors is the world's third largest asset manager but has fewer stewardship professionals than Capital Group, MUFG, Aberdeen, Nuveen, and Invesco.

A few major investors also created stewardship teams in the last three years, including Amundi, Legg Mason, and UBS.

Other ESG roles have grown even more quickly. Evaluating ESG issues as part of an investment decision has led to dramatic increases in teams at Goldman Sachs (14 to 50), Capital Group (0 to 18), and Wellington (5 to 32).

Even BlackRock, with its world-largest dedicated stewardship team, increased the number of other ESG professionals from 22 to 86.



Source: Financial Times (March 2020)

KEY QUESTIONS FOR BOARDS

- How often do we discuss the ESG priorities and policies of our major investors?
- Who at the company is primarily responsible for engagement with governance professionals?