

Stewardship Principles & ESG Integration

#	Firm AUM (Dec 2023)	Stewardship Principles Summary	ESG Integration Across Franchise
1 \$10,009B	BlackRock	<ul style="list-style-type: none"> Operated by the BlackRock Investment Stewardship (BIS) team — 70+ professionals globally with dedicated regional coverage. Four focus areas: quality and composition, strategy and capital allocation, climate and natural capital, and human capital management. Engagement escalation process: dialogue first, then public commentary, then votes against management. Conducted 2,800+ company engagements in the 12 months to June 2024. Formal position: stewardship should create long-term economic value, not serve as a vehicle for social or political advocacy — a distinction emphasized publicly since 2022 amid US ESG backlash. 	<ul style="list-style-type: none"> ESG integration is embedded across the platform via the Aladdin Climate risk analytics system and proprietary ESG metrics. Active equity strategies incorporate ESG analysis at portfolio construction level. iShares passive platform votes proxies under published stewardship guidelines. Dedicated Sustainable Investing platform manages ESG-screened strategies with stricter criteria and thematic mandates. Proxy voting guidelines explicitly address board diversity, executive compensation, climate risk disclosure, and shareholder rights. Note: Exited Climate Action 100+ in 2024 (associate member only). ESG resolution support fell from ~40% (2021) to ~4% (2023 proxy year).
2 \$8,600B	Vanguard Group	<ul style="list-style-type: none"> Stewardship governed by the Investment Stewardship team (~60 professionals) and fund-level boards that approve proxy voting guidelines annually. Four pillars: board composition and effectiveness; oversight of strategy and risk; executive compensation; and shareholder rights. Votes as a long-term, permanent investor. Increasingly cautious about prescriptive ESG proposals — evaluates each resolution for demonstrable economic benefit. Stewardship is expressed primarily through voting and direct dialogue; Vanguard does not participate in major climate coalition initiatives. 	<ul style="list-style-type: none"> As a predominantly passive manager, ESG is expressed through proxy voting and engagement rather than portfolio screening for the vast majority of assets. Dedicated ESG fund range (ESG U.S. Stock ETF, ESG International Stock ETF, ESG U.S. Corporate Bond ETF) applies exclusionary screens on top of broad index exposure. The \$8.6T core AUM is managed through broad market index strategies where ESG is exercised through stewardship only, not portfolio construction. Note: Supported only 24% of ESG shareholder resolutions in 2023 proxy year. Exited NZAM in Dec 2022. Among the most conservative major US managers on ESG resolution voting.
3 \$4,880B	Fidelity Investments	<ul style="list-style-type: none"> Stewardship approach is 'investor-first': ESG factors considered where they bear on long-term earnings, competitive positioning, and risk — not as standalone values filter. Launched proprietary ESG Relevance Tool in 2020 to quantify financial materiality of ESG issues by sector and company. Active portfolio managers have primary stewardship accountability, supported by the Sustainable and Responsible Investing (SRI) team. Has not joined Climate Action 100+ or NZAM, preferring full independence and non-politicization of the investment process. 	<ul style="list-style-type: none"> ESG factors integrated across the active management platform. Portfolio managers and analysts use Fidelity ESG Relevance Scores to assess material risks. Sustainable fund range has expanded across equities and fixed income, with dedicated ESG screens and thematic strategies. Important structural distinction: Geode Capital Management (index funds, separate entity) votes proxies independently of FMR (active). Geode supports ~90% of ESG resolutions vs. FMR's ~50% — one of the largest intra-firm proxy divergences in the industry.
4 \$4,128B	State Street Global Advisors	<ul style="list-style-type: none"> Dedicated Asset Stewardship Team with four regional hubs. Focuses on board composition and effectiveness, human capital management, climate risk, and executive compensation. 	<ul style="list-style-type: none"> ESG integration is institutionalized through the proprietary R-Factor scoring system — a framework built on multiple data providers structured around the SASB Materiality Map.

#	Firm AUM (Dec 2023)	Stewardship Principles Summary	ESG Integration Across Franchise
		<ul style="list-style-type: none"> • Pioneered gender diversity advocacy through the 'Fearless Girl' campaign. Continues to vote against directors at companies that do not meet its board diversity standards. • Operates a structured engagement program with priority topics set annually and disclosed publicly. • Note: Exited Climate Action 100+ in Feb 2024. Stepped back from supporting routine ESG disclosure proposals due to US political and legal risk concerns. 	<ul style="list-style-type: none"> • R-Factor scores are applied across SSGA's investment processes and proxy voting to assess whether companies are managing material ESG risks. • Manages both mainline index and active ESG strategies; dedicated ESG strategies apply additional screens and exclusion policies beyond core index exposures.
5 \$3,442B	Morgan Stanley Investment Management	<ul style="list-style-type: none"> • Global Stewardship Team coordinates across a multi-capability platform (active equity, fixed income, quantitative, private markets). • Stewardship framed as a fiduciary duty. Engagement programs focused on board governance, climate and sustainability strategy, human capital, and capital allocation. • UK Stewardship Code signatory. Publishes multiple stewardship reports: Global, UK Stewardship Code, Emerging Markets, and Calvert (separately). • Note: Exited Climate Action 100+ in 2024. 	<ul style="list-style-type: none"> • ESG integration managed through a dedicated Sustainability Team that develops firmwide ESG standards and frameworks. • Integration depth varies by capability: active equity strategies integrate financially material ESG factors; Calvert (acquired 2016) operates a comprehensive ESG research platform with sector-specific analysis, shareholder advocacy, and full exclusion policies. • Calvert Research and Management (~\$39B AUM) is one of the largest dedicated SRI franchises in the US and publishes among the most detailed stewardship disclosures in the industry, including full proxy voting statistics and engagement case studies.
6 \$3,422B	J.P. Morgan Asset Management	<ul style="list-style-type: none"> • Stewardship described as 'investor-led, expert-driven.' Dedicated Investment Stewardship team conducts engagement on board composition, strategy and capital allocation, executive compensation, climate risk, and human capital. • Structured escalation process: dialogue → public commentary → voting against management or directors where engagement fails. • Publishes annual Investment Stewardship Report (5th consecutive edition in 2025) with engagement case studies and voting statistics. • Note: Exited Climate Action 100+ in early 2024 and subsequently reduced support for climate and other ESG shareholder proposals. 	<ul style="list-style-type: none"> • ESG integration led by the Sustainable Investing and Stewardship (SI&S) team, which works alongside sector analysts and portfolio managers. • Proprietary ESG scoring framework applied across public equities. ESG fund range includes Paris-aligned equity strategies, climate transition fixed income funds, and thematic impact investing mandates. • Publishes dedicated TCFD-aligned climate reporting alongside the annual stewardship report.
7 \$2,812B	Goldman Sachs Asset Management	<ul style="list-style-type: none"> • Dedicated Investment Stewardship team. Engages with portfolio companies on governance, strategy and capital allocation, climate risk, and human capital. • Uses a proprietary ESG materiality framework to guide engagement priorities and voting decisions, with priority issues set by sector. • Maintained stewardship publication schedule despite industry-wide ESG pullback. 2024 report discloses broad engagement activity across global companies. 	<ul style="list-style-type: none"> • ESG factors integrated across active equity and multi-asset platforms. Fundamental Equity platform incorporates ESG as a component of investment research. • Manages dedicated ESG funds including the 'Just' equity range (in partnership with JUST Capital) and climate-oriented fixed income strategies. • Proprietary proxy voting policy updated annually with sector-specific governance standards. • JUST Capital branded products provide transparent, data-driven sustainable investing differentiated from managers relying solely on third-party ESG scores.

#	Firm AUM (Dec 2023)	Stewardship Principles Summary	ESG Integration Across Franchise
8 \$2,500B	Capital Group	<ul style="list-style-type: none"> • Stewardship reflects the firm's distinctive 'multiple counselor' system: individual portfolio managers independently manage fund segments and each has accountability for ESG considerations within their coverage. • Dedicated ESG Research team supports analysts and monitors portfolio-level sustainability risks firm-wide. • Publishes both an Annual Stewardship Report and a broader Responsible Investing Report covering engagement, voting, and ESG integration across global active strategies. • UK Stewardship Code signatory. Notable for maintaining higher and more consistent ESG proposal support among major US active managers. 	<ul style="list-style-type: none"> • ESG integration spans equity and fixed income platforms. Material ESG factors incorporated into fundamental company analysis. • Developed proprietary ESG ratings for a substantial part of its coverage universe. • ESG fund range includes dedicated low-carbon, sustainable, and impact-oriented strategies. • Proxy voting determined by consensus of portfolio managers who hold the stock — creating a nuanced, case-by-case approach rather than blanket policy, which generally results in more engaged company dialogue.
9 \$1,974B	BNY Mellon Investment Management	<ul style="list-style-type: none"> • Multi-boutique model: stewardship conducted at the individual boutique level (Newton, Insight, Walter Scott, Mellon). No single centralized stewardship program. • Newton Investment Management (UK-based) and Insight Investment both publish their own detailed annual stewardship reports and are UK Stewardship Code signatories. • Newton has a long-standing stewardship program with thematic engagement campaigns and substantial proxy voting disclosure. Insight leads ESG engagement for fixed income bond issuers. • Enterprise-level Responsible Investment policy sets expectations that all boutiques embed responsible investment in their processes. 	<ul style="list-style-type: none"> • ESG integration varies materially by boutique. Newton integrates ESG into all investment decisions through its proprietary thematic research framework. • Insight Investment integrates ESG across fixed income mandates and is a benchmark for ESG engagement with bond issuers. • BNY Mellon publishes corporate-level ESG disclosures and coordinates responsible investment reporting across boutiques. • The multi-boutique structure creates diversity of approach but makes enterprise-level stewardship data aggregation more complex.
10 \$1,860B	PIMCO	<ul style="list-style-type: none"> • Stewardship program is distinctive as the largest US fixed income manager: primary focus on ESG engagement with bond issuers rather than equity proxy voting. • ESG research team works alongside credit analysts to assess material ESG risks across sovereign, corporate, securitized, and municipal bond markets. • Engaged with over 1,500 bond issuers annually on ESG topics — an exceptional scale of engagement for a fixed income manager. • Publishes annual ESG Investing Report covering engagement activities, thematic ESG research, and approach to green, social, and sustainability-linked bonds. • Note: Exited Climate Action 100+ in 2024. 	<ul style="list-style-type: none"> • ESG integration spans all major fixed income asset classes. Proprietary ESG scoring system applied to credit analysis. • ESG criteria used in portfolio construction for dedicated ESG mandates. • Particularly well-developed approach to green bonds and sustainability-linked bonds (SLBs), including a framework for evaluating the credibility of sustainability targets embedded in SLBs. • Fixed income ESG engagement — influencing issuer behavior through cost of capital — represents a significant and underappreciated stewardship lever that differs analytically from equity-driven approaches.

Sources: Published stewardship reports, proxy voting disclosures, and regulatory filings. AUM figures from Pensions & Investments / Thinking Ahead Institute (Dec 2023). For more complete information about a firm's stewardship practices, refer to each firm's published stewardship report.