

Morrow Sodali moves into Australia

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Global consultancy revealed majority interest in Australia's GPS two weeks ago

Having acquired a majority stake in Australian proxy solicitation and governance firm Global Proxy Solicitation (GPS), [John Wilcox](#), chairman of the world's largest international governance and shareholder engagement firm, talks ESG, governance and Australia's influence.

'Australia is similar to the UK in its innovative and aggressive approach to governance reform, ESG policies, regulation and shareholder rights,' notes Wilcox. 'Its influence is felt well beyond its borders, as institutional investors apply lessons learned in one market to portfolio companies in other markets.'

Globally, governance is being influenced by two factors, he adds:

1. [The convergence of IR and corporate governance](#)
2. The rise of stewardship codes.

'As a result of these forces, IR roadshows and governance roadshows are being managed with greater sophistication because institutional investors increasingly demand information that integrates financial performance and strategic goals – together with the governance and extra-financial risk controls that are now recognized as essential to sustainability.'

This, combined with the rise of shareholder activism in Australia, means IROs are 'increasingly working directly with corporate boards as well as executive management in responding to heightened demands from shareholders,' notes Wilcox.

These demands and the growing focus on governance – not just in Australia but also globally – is seeing a shift away from compliance check-lists, he adds, with ESG issues becoming more thoroughly integrated with businesses as a whole. As such, says Wilcox, 'investor relations takes on an increasingly important role'.

Morrow Sodali was created in May 2016 when consultancy Sodali, which focused on European, Latin American and other emerging markets, acquired Morrow & Co, which had a US focus, to create a global firm with more than 600 clients across 30 countries.

The firm has since grown to more than 700 clients in 37 countries and its new majority stake in GPS helps Morrow expand its 'global network with on-the-ground local expertise,' says Wilcox.