



BROWN 
BROTHERS
HARRIMAN

ANNUAL
STEWARDSHIP REPORT

2020

BASIS FOR REPORT

REPORT SCOPE & BOUNDARIES

This is a firmwide report, including the operations and activities of each BBH business line in every operating region. For each topic, we note any significant differences in approach between the U.S., Europe, and Asia. Otherwise, readers can assume the information applies to the whole firm.

Most sections of this report address the impact of the firm's direct activities. In the sections on Supplier Code of Conduct ([page 96](#)) and Sustainable Investing ([page 36](#)), we also explore the firm's progress in examining the indirect impact of our business partners and investments.

REPORTING PROCESS AND USE OF STANDARDS

BBH referenced multiple, leading standards and guidelines to determine the topics and disclosures that would be of material concern to our firm and stakeholders. BBH did not prepare this report in accordance with any single reporting standard but relied heavily on the following in compiling its contents.

- Global Reporting Initiative (GRI) Report Standards
- The Sustainable Accounting Standards Board (SASB): Financial Sectors (asset management & custody activities; investment banking and brokerage)
- Principles for Responsible Investment (PRI)
- UN Global Compact
- UN Sustainable Development Goals

The Executive Sustainability Council reviewed and approved each section, with additional review and approval from the Managing Partner.

REPORTING PERIOD & CYCLE

This report covers calendar year 2020. There are no material changes or restatements from previous reporting periods.

Feedback from our stakeholders in response to this report will help the Sustainability Council—and BBH leaders—adjust and improve future reports.

CONTACT INFORMATION

We welcome your feedback, comments and questions about this report. [Please contact us](#) or reach out to our Sustainable BBH Co-Chairs directly. Thank you.

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LETTER FROM OUR MANAGING PARTNER BILL TYREE



“The concept of sustainability is constantly evolving, but what is constant is our commitment to doing the right thing for our employees, our clients, and the communities where we live and work.”

2020 was an extraordinarily important time to be focused on making a positive impact for our people, our communities, and our clients. Our second annual Stewardship report details our progress against our ten sustainability goals, during a time when we were all facing a pandemic, social justice movements across the world, environmental disasters, and unprecedented volatility in global markets. Perhaps more than anything else, 2020 highlighted the urgent need for all of us, together, to commit to creating a sustainable future.

In recent years, business leaders and investors have recognized that prioritizing environmental, social, and governance (ESG) initiatives

is critical for managing risk, attracting and retaining top talent, and adapting to the ever-changing marketplace. But the relationship between sustainability and business continuity was never more apparent than it was in 2020, when just operating our business meant changing everything about the way we work and live. That was hard enough, but we had to make those fundamental changes while delivering uninterrupted service to our clients, upgrading our business processes, and focusing on the physical, financial, and personal well-being of our nearly 6,000 employees.

Through all of this, BBH was able to transition 97% of our global workforce to remote working arrangements by late March of 2020, during

one of the most volatile markets on record, and with no major service disruptions for our clients. We kept our people safe; we kept our teams intact; and we supported our clients as they made similar work adjustments and later revisited their own values, investment objectives, and philanthropy.

Meanwhile, our employees rose to the occasion. They not only managed to do their jobs in extraordinary and stressful circumstances, in many cases they found ways to do things better. Our people met our client commitments, progressed major projects, supported each other, and developed new skills—all while balancing personal challenges brought on by the pandemic.

The circumstances that created so much disruption are absolutely tragic and we are only now beginning to see our way out. But 2020 was also full of silver linings and proved to be transformative for our business and a catalyst for how we plan to operate it going forward. As you'll read throughout this report, many of the policies and digital processes we put in place to cope with the "Doing Business during COVID" environment provide benefits—for our employees, clients, society, and the environment—and that's what we hope to carry forward.

While BBH made significant progress across all ten sustainability focus areas, the events of 2020 prompted us to lean into three related areas: employee well-being; diversity, equity, and inclusion; and community engagement.

Looking at Employee Well-Being from All Angles

We have always strived to encourage and help our employees live healthy, balanced, and fulfilling lives, and in 2020 we provided greater support for the growing complexity of our employees' needs. Our first priority was to see to the safety and health of our people. We acted quickly to move BBH employees out of the office, provide them with the technology and tools they needed, and offer additional flexibility to take care of themselves and their families.

We also zeroed in on personal well-being programming to help our employees learn to adapt in the face of adversity, trauma, or other significant sources of stress. Through our newly expanded BBH Assist program, employees and their families had easy and confidential access to increased mental health resources. Through virtual events, communications, and manager training, we sought to destigmatize mental health and offer employees multiple ways to connect with peers and feel supported by each other, managers, and the firm.

\$875K

BBH contributed an additional \$875,000 in support of our employees and their families who were impacted by COVID-19.

Prioritizing Diversity, Equity, and Inclusion

In 2020, the combination of a global health pandemic, racial injustice movements, and increased acts of hate shone a bright light on the socio-economic differences, accessibility gaps, and related challenges in achieving work-life well-being within our world. Our work related to diversity, equity, and inclusion has been extensive for decades, but notably, in 2020 we made a public commitment to increase Black representation in our U.S. offices by more than 50% by 2024. This is part of a broader goal of ensuring that 50% of our global workforce are women and 35% of our U.S. workforce are underrepresented groups. Overall, our principle is that the diversity of BBH's workforce should match the communities in which we live and the people who we serve.

Because what gets measured can be actively managed to get results, we launched an enhanced Self-ID program in 2020. This voluntary, confidential, self-identification

survey requests information from employees on identity, such as ethnicity, gender, sexual orientation, disability status, veteran status, and pronouns. The program launched in our U.S. offices in early 2021, and we are now in the process of introducing locally relevant Self-ID programs in Europe and Asia.

As we continue our journey, it's critical to understand that while data helps drive informed decisions, the lived experiences of those around us also help us understand the numbers. To support this effort, we increased education on cultural awareness and racial equity, and all assistant vice presidents and above attended inclusive leadership training. Together these activities encouraged us all to embrace the authenticity in each of us, show empathy and compassion, and embrace a range of communication and work styles to enable all team members to deliver their personal best.

Caring for the Communities that Sustain Us

Looking outside our BBH walls to the broader community in which we live and work, we maintained our support of long-standing partner agencies and increased financial support to organizations focused on issues related to COVID-19, or whose operations or fundraising were impacted because of the pandemic.

Although physical volunteer work was understandably limited, our employee-led volunteer groups got creative about lending their time and talent to those in need. With virtual channels, BBHers made an impact through skills-based volunteerism, such as by building websites, teaching financial literacy, reviewing résumés, and tutoring and mentoring children and young adults in underserved communities.

Taking a Portfolio Approach to Sustainability

While sustainability was front and center within BBH, businesses and investors across the board continued to shift their priorities as well. As private bankers and investment managers, we saw first hand how the events of 2020 accelerated interest in values-based planning and ESG investing. In 2020, we received 21% more



In addition to unlimited volunteer time through our BBHcares program, in 2020 we increased our annual paid time off to provide all employees one additional day to make an impact in their community to causes that matter most to them.

ESG-related request for proposal inquiries, building on a 33% increase experienced in 2019.

Just as we run our organization with a sustainable mindset, we manage our investment portfolios with a close eye to environmental, social, and governance practices. We believe that ESG isn't an investment category; it's a fundamental part of the investment process. In 2020, we further strengthened our commitment to ESG by becoming signatories in the United Nations Principles of Responsible Investment (PRI), which is an international organization that works to promote the incorporation of ESG into investment decision-making.

Mitigating Our Climate Impact

At the same time that we strive to understand our portfolio companies' environmental impact, we are looking to understand and minimize our own. As a services company, our biggest contribution to greenhouse gases is through the operation of our facilities and the travel of our employees. With most of our employees working from home in 2020, we saw an opportunity to make energy-efficient improvements in most of our locations. Some of these were immediate, such as reducing paper and single-use plastic. Others will come in time as we look to optimize our office space and rethink our business travel for what will likely be a more flexible work environment.



In 2021, we are looking to better measure our Greenhouse Gas (GHG) impact so we can map out a plan toward carbon neutrality.



Perhaps the biggest takeaway for 2020 is that sustainability is more than an objective. It's a mindset. It requires setting meaningful goals and integrating key programs and practices into our business, while constantly adapting to the changing needs and preferences of our stakeholders."

No doubt, adjusting to a virtual environment has been challenging, but the last year has shown that it's possible to both stay connected and be productive from afar. Looking ahead, we hope to build on this to better support our employees, clients, and other stakeholders by incorporating virtual communication and collaboration tools into our normal routines. In doing so, we think we cannot only improve employee quality of life and client outcomes, but we can also significantly reduce our environmental footprint in the process.

Perhaps the biggest takeaway of 2020 is that sustainability is more than an objective; it's a mindset. It requires thought and reflection, setting meaningful goals and making decisions. We will succeed when we integrate key programs and practices into our business and by constantly adapting to the changing needs and preferences of our employees, clients, and communities.

The following pages of this report provide a window into our sustainability focus areas and programs so that we can continue to hold ourselves accountable and refine our approach. Our intent is not just to help you, our stakeholders, understand how we think about sustainability, but also to create a platform through which we can learn and improve together. On behalf of all of BBH, I welcome your questions and ideas.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Tyree', written over a light blue horizontal line.

William Tyree
Managing Partner



SUSTAINABLE BBH



We believe this cannot be a time for short-term thinking. This must be a time to lean into our values, do the right thing, and to put our stakeholders first.”

– Bill Tyree
Managing Partner



SUSTAINABLE BBH COMMITMENT

OUR CLIENTS. OUR PEOPLE. OUR COMMUNITIES.

BBH has been in business for more than 200 years. Sustainability—a steadfast commitment to long-term value and well-being—is core to who we are. We will steward that commitment well into the future—for our clients, our people, and our communities.

Global operations come with global complexities. Building long-term value demands resiliency and the disciplined management of evolving risks. We continue to ensure that our governance contributes to the strength and stability of our industry. And we commit not only to ensuring the positive impact of our own business, but also to examining and exerting our broader influence over our suppliers and investments.

OUR CLIENTS trust us every day with their investments, their operations, and their financial goals. To sustain their success in the long term, we must provide thoughtful and anticipatory solutions that align with their best interests and values. We must also do our part to ensure our clients can depend on the continuity, security, and stability of our operations—and the financial industry more broadly—over the long term.

OUR PEOPLE, the talented BBH team, must meet our clients' needs, striving for the highest standards of teamwork, integrity, and excellence. We, in turn, must cultivate innovation and performance by recruiting and supporting a diverse set of skills and perspectives, providing all BBHers with an inclusive environment that empowers them to contribute and succeed in their professional and personal lives.

OUR COMMUNITIES extend far beyond our office walls. We must do our share to minimize threats to a healthy planet and make a positive contribution to the communities in which we do business.

Ultimately, sustainability comes from running our firm responsibly and ethically, while contributing positively to our clients, our people, and our communities for generations to come.

GOALS



**ESG
Integration**

Engage and educate the market, our clients, and the firm on how we incorporate ESG factors in our proprietary investment strategies.

**Sustainable
Investing**

Help our Private Banking clients articulate and realize their vision for philanthropy, sustainable investing, and values-based planning, while leveraging BBH resources to support broader education and awareness around sustainable investing.

Cybersecurity

Continue to adapt cybersecurity practices in the face of an evolving threat landscape, enlisting every BBH employee in the effort to protect the privacy, intellectual property, and data of our clients, employees, and business partners.

**Business
Continuity**

Strengthen security, continuity, and connectivity through enterprise-wide incident response.

**Leadership &
Technical Skills**

Invest in the leadership and technical skills our people need to be successful in an evolving global marketplace.

**Diversity, Equity,
& Inclusion**

Advance diversity and equity at BBH, supported by a strong culture of inclusion, accountability, and employee engagement.

**Employee
Well-Being**

Support our employees' financial, physical, and personal well-being through robust educational program and resources that provide tangible benefits.

**Environmental
Responsibility**

Support environmental sustainability by reducing the carbon impact of our facilities and operations.

**Community
Engagement**

Increase the reach of our community engagement program, BBHcares.

**Supplier
Sourcing**

Conduct comprehensive screening on ESG factors and Supplier Code of Conduct on material supplier contracts and renewals.

2020 HIGHLIGHTS



PRINCIPLES FOR RESPONSIBLE INVESTMENT

PRI

BBH became a signatory in 2020

1,504

client attendees to sustainability-related virtual events



21%

increase in ESG-related RFP responses

81%

of AUM managed by PRI signatories

5th Anniversary



BBH Center for Women & Wealth

100%

of BBH Investment Management investments evaluated with ESG criteria

1,500+

employee hours spent on ESG training and education

97%



of our workforce moved to remote environments across all office locations

25%

of new Capital Partners investments in companies that are substantially owned or led by a woman or BIPOC

75



employee well-being events

51.4%

employee participation in online well-being platform

CHILDCARE LEAVE



BBH enhanced paid time off policies for employees to bond with their children and adapt to their new family dynamic

10 NETWORKS
65 CHAPTERS
banc
BBH Affinity Network Communities

51.5%
of new hires were female
40.6%
of new hires were people of color (U.S.)

INCREASED TIME OFF

for cultural celebrations and community service



86%
of employees attended voluntary online and classroom learning

2,100 PARTICIPANTS
attended inclusive leadership training

"BEST PLACE TO WORK"



Distinctions:

- Diversity Best Practices Inclusion Index
- Disability Equality Index
- Human Rights Campaign Corporate Equality Index
- Best Employers Excellence in Health & Well-Being

320
employees who serve on charitable boards

\$4.72M
• firm donations
• Employee Giving Campaign
• BBH Employee Relief Fund donations

129 STRATEGIC CHARITABLE PARTNERS

3,000
employees used new community service leave to serve their communities in ways not offered by the firm

83%
of total kWh consumption generated by renewable sources or offsets

91%
of total spend is on suppliers who meet materiality threshold for ESG screening

HONORS AND PARTNERSHIPS

SUSTAINABILITY PARTNERS

Signatory of:



Since 2020 BBH has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption.

DIVERSITY, EQUITY, & INCLUSION PARTNERS

30% Club
ABSL Poland
Ascend
CEO Action for Diversity and Inclusion
City Parents
Diversity Best Practices
Diversity Hub
FuSloN (Financial Services Inclusion Network)
LGBT Great
Management Leadership for Tomorrow (MLT)
Massachusetts LGBT Chamber of Commerce
New England Center & Home for Veterans
Open Finance
Out Leadership
Prospanica
Rock the Street
Veterans on Wall Street
Women in Finance Asia (WiFA)
Women in Technology International (WITI)
Work Without Limits

BEST PLACES TO WORK HONORS

Best Employers Excellence in Health & Well-Being
Diversity Best Practices Inclusion Index
Disability Equality Index
Human Rights Campaign Corporate Equality Index

CHARITABLE STRATEGIC PARTNERS

American Women's Club Luxembourg	Habitat for Humanity Hong Kong	United Way of Central Carolinsa
Aobihneas House Women's Refuge	Habitat for Humanity Newark	United Way of Delaware
Banque Alimentaire Luxembourg	Hoboken Shelter	United Way of Greater Nashville
Basis.Point	Marian College	United Way of Greater Philadelphia & Southern New Jersey
Big Brothers Big Sisters of Greater Boston	Ministry of Caring	United Way of Hudson County
Boston Partners in Education	New England Center and Home for Veterans	United Way of Massachusetts Bay
Box of Hope	New Eyes for the Needy	United Way of Metro Chicago
Boys Club of New York	New York Common Pantry	United Way of New York City
Brookview House	Playworks	Women Rising
Business in the Community Ireland	Project Linus	Wonderfund
Cappuchin Centre	Read Ahead	Zupa na Plantach
Caritas Croix Rouge Luxembourgeoise	Rock the Street Wall Street	
Children's University	Rosie's Place	
Communty Foodbank of New Jersey	Saoirse Women's Refuge	
Dzielo Pomocy Dzieciom (Children's Aid)	St. James Settlement	
Envision	Stemm vun der Strooss	
Focus Ireland	Sunshine Action	
Food Bank of New York City	Szlachetna Paczka	
Futures & Options	The Bowery Mission	
Generating Genius	The Childhood Trust	
God's Love We Deliver	Trussel Trust	
Habitat for Humanity Greater Boston	Two Together	



OUR FIRM



The concept of sustainability is still relatively new, but BBH has had a deep commitment to our employees, clients, and communities throughout our history. Our firm could not have survived 200 years without a sustainable mindset.”

– Kevin Stone
Partner



FIRM OVERVIEW & SCALE

Brown Brothers Harriman & Co. (BBH) is the oldest and largest continuously operating privately owned bank in the United States. Headquartered in New York City, the firm is organized as a New York limited partnership.

Headquarters 140 Broadway, New York, NY 10005

As of December 31, 2020, the firm employed 5,701 full-time professionals and an additional 400 consultants in 18 locations throughout North America, Europe, and Asia. There were no material changes to our organization or structure in calendar year 2020.

North America	Asia	Europe
Philadelphia (established in 1818)	Tokyo (1984)	Zürich (1968)
New York (1825)	Hong Kong (1989)	London (1974)
Boston (1844)	Beijing (2009)	Luxembourg (1989)
Chicago (1929)		Dublin (1995)
Grand Cayman (1985)		Kraków (2012)
New Jersey (1994)		
Charlotte (1995)		
Wilmington (2009)		
Nashville (2015)		

SERVICES

BBH concentrates our capabilities and offerings into three business lines, all of which operate under the parent brand, Brown Brothers Harriman. Within those business lines, the firm owns a limited list of product, technology, and content brands and trademarks.

BBH Investor Services serves global asset managers by providing custody, depository and trustee services, fund accounting, fund administration, transfer agency and related services such as technology services, global tax and fund solutions, middle office, foreign exchange, currency administration, and securities lending solutions.

Scale of the organization: approximately \$5.2 trillion assets under custody and administration

BBH Private Banking helps clients achieve their vision of success for their families, wealth, businesses, and institutions, offering a full suite of family office services, including investment advisory, philanthropic advisory, next generation education and fiduciary services, as well as endowment and foundation management, corporate advisory and banking and private equity solutions, while leveraging our intellectual, relationship, and financial capital.

Scale of the organization: approximately \$47 billion assets under management

BBH Investment Management manages equity and fixed income investments for a diversified set of clients, including institutional investors, financial intermediaries, sovereign wealth funds, and high net-worth investors around the globe.

Scale of the organization: approximately \$65 billion assets under management (including \$29 billion in assets managed on behalf of BBH's Private Banking Business)

GOVERNANCE

How does BBH ensure that the firm makes responsible, ethical, long-term decisions in the common interest of its stakeholders?

This section addresses the firm's approach to governance, business ethics professional integrity, and risk management.

For more information about how BBH addresses similar topics in our supply chain or investments, please read the report sections on Supplier Code of Conduct ([page 96](#)), ESG Integration ([page 30](#)) and Community Engagement ([page 90](#)).

BENEFITS OF PARTNERSHIP

A well-governed partnership like BBH's is flat, collaborative, and transparent—an organizational structure where the best ideas and collective concerns rise quickly to the top.

Because our Partners are personally liable for the firm's obligations, we make careful and thoughtful long-term decisions in an unusually aligned spirit of collaboration and trust to manage the relationships and risks inherent in everything we do. Our Partners remain well informed of the firm's activities and are directly involved in our daily management and decision-making.

As a private partnership, our firm is not beholden to external shareholders, debt or equity analysts, corporate activists, or potential acquirers. This private status relieves us from the distractions of short-term or public market expectations and empowers us to make investments in the relationships, technologies, products, and people which we believe are in the best long-term interests of our clients and of the firm.

Furthermore, being relatively small allows us to stay close to our clients and to one another. This helps us understand where we have common interests and values, including economic, social, and environmental issues.

OWNERSHIP & OFFICERS

The BBH Partnership manages the firm, under the direction of Managing Partner William (Bill) B. Tyree.

General Partners	32
Limited Partners	20
Managing Directors	106

As of December 31, 2020

Governance Committee Framework

The BBH Partnership delegates supervisory oversight, business management responsibility, and decision-making authority to the BBH Executive Committee, our senior-most committee (our Board of Directors equivalent), as well as a framework of BBH Senior Committees with well-defined roles and responsibilities. BBH Senior Committees are generally global in scope and include:

- Firmwide Governance and Oversight Committees
- Line of Business Oversight Committees
- BBH Subsidiary-Level Boards of Directors and Governance Committees

As a partnership, our overall operating and decision-making model is based on peer review, and our committee structure supports this approach. This is why, in determining committee membership, we purposefully bring together individuals with a wide range of viewpoints and diverse experience across different business and functional areas. Our committees have global representation from BBH Partners and senior executives across business lines, as well as individuals from our control and oversight functions. This allows for a sharing of perspectives by individuals with an expansive understanding of BBH's businesses, activities, best practices, and control infrastructure.

Where Responsibility for Economic, Environmental, and Social Topics Fits in the BBH Governance Framework

The tone and priorities for our firm are set by our Managing Partner, Bill Tyree. Recognizing the importance of ESG topics to our stakeholders and the role these factors play in assessing long-term value and sustainability, Bill chairs the firm's **Executive Sustainability Council**. The council's mandate is to further integrate business and revenue growth with positive, non-financial impacts and is overseen by the BBH Executive Committee.

Given the breath of economic, environmental, and social topics that are material to BBH and our stakeholders, every committee within our governance structure touches at least one, though often multiple, sustainable impact areas. We believe it's the role of every employee at BBH to help achieve the goals outlined in this report.

BBH commits executive attention to key sustainability issues:

- Each of our ten sustainability goal areas has a Partner charged with oversight.
- Each sustainability goal has at least one executive-level officer appointed and accountable for progress.
- Every goal's accountable officer either directly reports to or is one degree of separation from a Partner and is accountable to one of the firm's top-level governance committees.

This accountability—ensuring attention from the highest levels of the organization—reflects both our commitment to Sustainable BBH and the nature of our flat organizational structure.

HOW IT'S DONE MATTERS



The foundation of BBH is the reputation that we have built over the last two centuries based on the trust that our clients and communities have given us. Acting with integrity, accountability, and respect is core to maintaining BBH's reputation and, ultimately, our success.

COMMITTEE STRUCTURE

COMMITTEE	FUNCTION	SUSTAINABLE BBH GOALS
Executive Committee	As the senior-most committee at BBH, the Executive Committee acts on behalf of the partnership to make decisions on important firmwide matters and oversees day-to-day management of the firm.	Sustainable BBH Committee and overall program
Finance Committee	<p>The Finance Committee has oversight responsibility for the firm's material and strategic financial matters, including financial planning, compensation and benefits, and financial risk management.</p> <p>By actively monitoring the firm's financial results and focusing on our expenditures, the committee plays a critical role, ensuring we are both responsive to present market conditions and investing to position the firm for long-term success.</p>	Sustainable BBH financial commitments Community Engagement Goal (page 90) Employee Well-Being Goal (page 76) Environmental Responsibility Goal (page 84)
Global Inclusion Council	The Global Inclusion Council works closely with the Office of Diversity, Equity & Inclusion (DEI) to set the firm's DEI agenda and strategy, monitor success, drive accountability, and integrate initiatives into the lines of business.	Diversity, Equity, and Inclusion Goal (page 66)
Talent Council	Working with Human Resources, the Talent Council develops and drives the execution of our strategic talent and development plan, reviews priorities to ensure strategy aligns to business needs, and sets expectations for the role of managers and employees in the talent development process.	Leadership and Technical Skills (page 60)
Executive Sustainability Council	Overseeing the Sustainable BBH Program, the Executive Sustainability Council reviews progress against sustainability goals at the firm and line of business level and approves investment and reporting on sustainability initiatives, key partnerships, and BBH's sustainable investing approach.	Overall program objectives, impact, and effectiveness
Governance, Risk, & Compliance Oversight Committees	<p>These committees oversee the firm's compliance and risk management programs and processes, as well as our BCP and processes.</p> <p>Cybersecurity Oversight Committee Anti-Fraud Committee Business Continuity Planning Executive Committee Vendor Risk Management Steering Committee</p>	Cybersecurity Goal (page 44) Business Continuity Goal (page 49) Supplier Sourcing Goal (page 96)
Line of Business Oversight Committees	<p>These committees set strategy, monitor activity, and oversee operations within each respective line of business. This includes monitoring and overseeing operations, risk, regulatory, compliance, staffing, and control environment issues within their line of business.</p> <p>Administration Oversight Committee Investment Management Oversight Committee Investor Services Oversight Committee Private Banking Oversight Committee Systems Oversight Committee</p>	ESG Integration Goal (page 30) Sustainable Investing Goal (page 36)

BUSINESS ETHICS & PROFESSIONAL INTEGRITY

How does BBH set and uphold a high standard of professional integrity from its team members?

CODE OF ETHICS

The foundation of Brown Brothers Harriman & Co. is the reputation that we have built over the last two centuries and the trust that our clients and communities have in the firm and our employees. This foundation has been built upon our values and standards. Acting with integrity, accountability, and respect is key to maintaining BBH's reputation and ultimately its success. While we care about the results we achieve, we care just as much about how we achieve them.

For BBH employees, the Code of Ethics and Professional Conduct (“Code of Ethics”), together with our BBH policies such as our Compliance Manual and Employee Handbook, sets forth our standards for appropriate workplace conduct and the regulatory requirements to which BBH is subject. The Code of Ethics does not cover every issue that may arise, but it sets out basic principles to guide all BBHers on how to conduct themselves and avoid even the appearance of unethical or improper behavior and to ensure that we do the right thing.

All newly-hired BBH employees receive comprehensive training on our Code of Ethics and our policies and procedures. Each year, every full-time employee must attest to their compliance with and understanding of the Code of Ethics and each of its underlying policies, including:

- Conflicts of interest policy
- Whistleblower policy
- Anti-fraud policy
- Anti-money laundering policy
- Sanctions policy
- Information barriers and insider trading policy
- Privacy and confidentiality policy
- Personal trading policy
- Client complaints policy
- Gifts and entertainment policy
- Public communications compliance policy
- Social media policy
- Outside business activities and directorships policy
- Political contributions policy
- Records management policy
- Acceptable use of technology policy
- Vendor management policy
- Sensitive position absence policy

Our Human Resources department in collaboration with our Compliance department maintains the Code of Ethics and these underlying policies, reviewing and updating annually based upon regulatory and industry changes and expectations, as well as input from our Governance, Risk, & Compliance Oversight Committees.

This section addresses the firm's direct efforts on governance, business ethics and professional integrity, and risk management. For more information about how BBH addresses similar topics in our supply chain or investments, please read Community Engagement ([page 90](#)) or Supplier Code of Conduct ([page 96](#)).

The Code of Ethics' Statement of Principles

BBH personnel are required to comply with all laws and regulations applicable to BBH's business activities and are subject to the following Statement of Principles intended to provide guidance for handling a broad spectrum of matters.

BBH personnel shall:

- Place the interest of clients first.
- Conduct all of their personal securities transactions in a manner consistent with this Code and associated policies.

- Avoid inappropriate conflicts of interest or any abuse of a position of trust and responsibility.
- Refrain from taking inappropriate advantage of their BBH position.
- Ensure that client information is kept confidential, including the identity of clients' security holdings and financial circumstances.
- Ensure that they maintain independence in the investment decision-making process.
- Act professionally while on BBH premises or conducting BBH business.

Whistleblower Protections and the Mechanisms for Advice and Concerns

The Code of Ethics offers BBHers practical guidelines to help assess whether a violation of the Code of Ethics may have occurred and escalate issues when they arise. It specifically directs employees to report immediately any questionable or improper business practices or fraud, offering four different channels through which to log a concern, including a confidential, independent reporting system reachable online or by hotline. Any reported concern must be reported ultimately to the firm's Chief Compliance Officer.

“ It is essential for us in all our dealings not only to be fair, but never to have the appearance of unfairness...”

- Founding Partner Alexander Brown to son and Partner William Brown, 1819

The firm also maintains a Whistleblower Policy to encourage BBH personnel, agents, and vendors to report and escalate possible violations of law, the Code of Ethics, and Compliance policies and procedures. BBH is committed to responding to any such claims and does not tolerate retaliation in connection with any such escalation.

Anti-Corruption, Public Policy, and Political Contributions

BBH designed our anti-corruption policy to establish standards of conduct for compliance with anti-bribery laws that govern the firm's activities. These laws include, without limitation, the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, each of which imposes civil and criminal penalties for violation of the law. It is a crime under applicable laws to make a corrupt payment, including those which lead to an improper performance to a government official (as the policy clearly defines).*

Accordingly, the anti-corruption policy incorporates the following key principles:

- The firm may not, either directly or through an agent, provide anything of value to government officials as a quid-pro-quo for any favorable government action or treatment.
- BBH personnel must treat all interactions with government officials with heightened scrutiny and should err on the side of caution when a course of action is not clear.
- Expenditures including business entertainment involving government officials require pre-approval and must comply with BBH's Gifts and Entertainment Policy, as well as local law.

The Political Contributions Policy, in turn, provides for proper vetting of political contributions and events by BBH personnel in light of applicable pay-to-play laws and firm policy. Prior to making contributions to state/local political candidates, parties, committees, or government officials, BBH personnel must submit such contributions to Compliance for review. Similarly, prior to sponsoring events on behalf of all political candidates, parties, committees, or government officials, BBH personnel must submit such events to BBH's Managing Partner and Compliance for review.

* An improper performance is a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust.

RISK EXCELLENCE & COMPLIANCE

How does BBH define, evaluate, and mitigate risk to the firm’s long-term impact and its stakeholders’ success? How are ESG factors influencing the firm’s approach to risk management?

BBH’s partnership structure is a significant driver in our risk management culture and infrastructure. The Partners are committed to preserving the long-term value of the firm, have active involvement in daily management activities, and continuously communicate a conservative risk tolerance, appetite, and approach. In addition, the Partners are personally liable for all business activities. This leads to a balanced, informed, and efficient decision-making structure.

We expect all BBH personnel to act in a principled manner in alignment with our Risk Appetite Statement and our Core Values (teamwork, integrity, and excellence). Our Risk Appetite Statement and Core Values reflect our unique culture and are reasonably designed to protect BBH from legal, financial, operational, and reputational risks.

We work diligently to cultivate an environment that instills in all employees their responsibility for proactively identifying, assessing, and mitigating operational, cyber, regulatory, and other business risks. Our culture and infrastructure emphasize compliance and the escalation and mitigation of issues. Risk, control, and compliance are key elements in the employee’s performance evaluation process. In fact, we consider each employee to be a “risk manager,” and our employees work together to make sure that our activities and processes are executed in accordance with best practices and regulatory expectations and that they are continuously monitored, evaluated, and enhanced.

Although the responsibility for compliance and risk management rests directly with the lines of business, we have dedicated Compliance and Enterprise Risk Management functions, which operate independently from the lines of business to strengthen and protect the firm and its clients by:

- Advising and educating BBH personnel on laws and regulations applicable to their businesses
- Providing risk insights and supporting the lines of business in identifying, anticipating, measuring, and managing risks to the firm
- Driving a culture of risk awareness, transparency, and escalation
- Conducting periodic assessments to ensure the firm’s compliance program continues to remain effective

Training and Awareness

Training and awareness are key components of our compliance and risk management programs. Our training and awareness program is designed to educate BBH personnel about compliance and risk management obligations and expectations. Our program includes training on: cybersecurity, fraud, information security and physical security, BCP, privacy and data protection, compliance and ethics, workplace harassment, anti-bribery, and political contributions and lobbying. Employees also receive specialized risk-related training to reflect changes in law, best practices, lessons learned, as well as industry and market trends.

BBH’s comprehensive compliance and risk management frameworks support the business’ on-going identification, escalation, assessment, and mitigation of risks, as well as management’s understanding of the inter-relationship among various risks and the overall control environment.

How ESG Risks are Changing the Industry and BBH Approach to Risk Management

Our view is that risk management is not only about the identification, measurement, and reporting of risk metrics and trends, but about doing the right thing,

“As strong as our risk program is, no one anticipated a global risk event where everyone goes remote in 48 hours. This situation introduced multiple risk factors as we—along with our clients, vendors, and counterparties—transitioned all work processes to digital. The collaboration and communication between the Risk Management teams and the businesses were critical to be able to continue to deliver for our clients.”



*- Elizabeth Rand, Managing Director,
Enterprise Risk Management*

speaking up when something does not feel right, and taking into consideration the social and ethical ramifications of our decision making.

As part of BBH’s risk management program, we continuously evaluate the most significant risks that BBH and our stakeholders face. We take into consideration evolving environmental, social and governance factors, evolving regulatory expectations, emerging technologies, and internal and external threats including geopolitical, social and market considerations.

Key risks we are focused on today include:

- Business Interruption Risk – Risk resulting from an unanticipated disruption of normal operations or systems, including any physical disruption of business or system outage or slowdown, which could lead to missed client deadlines, severe client dissatisfaction, or possible client loss
- Cyber Risk – Risk resulting from a breach of, or attack on, our information systems (internal and external)
- Fraud Risk – Risk resulting from an intentional act, omission, or statement designed to deceive BBH (internal and external)
- Legal/Regulatory/Fiduciary/Investment Risk – Risk arising under law or contract, including the risk of not satisfying a fiduciary responsibility or other standard of care
- Operational Risk – Risk from inadequate or failed internal processes, people, systems, or adverse external events
- Strategic and Competitive Risks – Risk that our products or services do not stay apace with market and competitive conditions
- Technology and Data Management Privacy Risk – Risk associated with our technical infrastructure or the use of technology within BBH, including the inability of technology to meet business needs, unreliable data, or storing, using, transmitting, managing, destroying, and securing firm, customer, and third-party data
- Workforce & Conduct Risk – Workforce issues that pose risk to the delivery of business outcomes and outputs, including potential unethical employee behavior

2020 FROM A RISK MANAGER'S PERSPECTIVE

Risk Managers across the industry and the globe had a big job to do in 2020. It wasn't that there were new risks that had never been considered before, it was that all the risks that had been carefully considered came all at once. On top of that, the interdependencies between the risks made the landscape more challenging to manage than ever before. In 2020, business interruption risk intersected with workforce risk, operational risk, and cyber and fraud risk, as the entire world shifted to a remote work environment, employees' home life became integrated into the workplace, and issues of social unrest, climate risk, and political divisiveness were on the rise in many of the areas where BBH has offices, employees, and clients.

Our risk program set us up to be able to respond, but we had to pivot our resources across the risk portfolio to create a holistic response while prioritizing the most critical risk issues each day. We worked closely with the businesses to adopt new digital practices to support remote work and to monitor existing risks and guard against new ones. We provided heightened oversight, increased training and awareness, and direct business support for the new control environment in which we suddenly found ourselves. And as the new environment became the new normal, we continued to focus on business interruption mitigation tactics, scenario planning, and integration and coordination with the BCP, Fraud, Cyber, and Human Resources teams to ensure workforce and operational resiliency.

Risk Profile in 2020:

- Remote environment – heightened cyber and fraud, operational, workforce, and business interruption risk
- Social tensions and calls to action – heightened business interruption, workforce, and market risk
- Unprecedented market volumes and volatility – heightened operational, credit/counterparty, and workforce risk
- Political / country risk and geopolitical tensions – heightened business interruption, strategic/competitive, market, and cyber risk
- Climate change – heightened business interruption, fiduciary/investment, and strategic/competitive risk
- Workforce wellness and fatigue – heightened workforce, strategic/competitive, and operational risk

The firm's response to the COVID-19 pandemic tested and reinforced the strength of our risk framework and demonstrated our ability to be agile and respond to other fast-emerging events and circumstances that may arise in the future.



OUR CLIENTS



Our commitment to delivering unparalleled service—and always putting our clients’ best interests first—provides our clients and their families with a stable, trustworthy partner for generations as they strive to achieve their personal, family, and financial objectives.”

**– Kathryn George
Partner**



ESG INTEGRATION



Engage and educate the market, our clients, and the firm on how we incorporate ESG factors in our proprietary investment strategies.



UN Sustainable Development Goal 8
Goal: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

ESG continues its notable growth, becoming a mainstream topic in investment management. During a year of unprecedented challenges, BBH Investment Management’s continued focus on ESG issues reinforced how it enhances our ability to manage risk and help achieve our clients’ long-term objectives.

Looking back at 2020, the impact of COVID-19 put an even greater spotlight on the resiliency of companies’ business models and non-financial risk management during a time of crisis. We have observed how many companies treat their customers, employees, and the communities they serve as they strive to also achieve their business objectives. Interestingly, this crisis has also accelerated many ESG-related trends that were already happening, such as the adoption of technology, fairer labor practices, diversification of supply chains, commitment to environmental stewardship, and engagement with stakeholders.

Throughout the year, we experienced an increasing level of interest from our clients and prospects in understanding the topic of ESG and the role it plays in our investment process. This ranged from such issues as how we think about a company’s cyber security to a bond issuers’ climate risk exposure. While portfolios reflecting investors’ personal values have been popular for many years, the shift from a “shareholder only” view to a “stakeholder” view continues, and the ESG-related client demand we have experienced is reflective of this trend.

We continued to engage and educate the market, our clients, and our internal stakeholders on how we incorporate ESG factors into our proprietary investment strategies. Many of our clients recognize that BBH’s bottom-up, active management approach is well aligned with evaluating both traditional financial criteria and the ESG risks and opportunities of our securities.

In addition to identifying financially material risks and opportunities when building and managing portfolios, an important part of our investment process is our engagement with companies and issuers. In 2020, we published our [Engagement Statement](#) to provide our clients with more transparency around this element of our investment process and how it relates to ESG. While ESG criteria have always been implicit in our investment process, we continue to formalize our approach so that we can provide more insights to our clients.

As we deepened our approach to ESG in 2020, we became a signatory to the UN-supported Principles for Responsible Investment (PRI), the world’s leading proponent of responsible investment. This reflects our commitment to integrating ESG factors into investment decision-making and was a key deliverable under our Sustainable BBH program. Our PRI membership accompanies BBH’s commitment to supporting the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

CORE PROGRAMS, POLICIES, & PRACTICES

BBH Investment Management’s mission is to preserve and grow our clients’ capital over long periods of time. We provide investment management services to institutional and individual investors around the world—embedding ESG criteria in our investment process. We offer the capability to customize investment solutions aligned to client-specific ESG goals or screening preferences.

Our approach to investing explicitly includes the consideration of ESG criteria and is guided by a set of core principles the firm applies to every investment portfolio. Together these criteria represent a time-tested approach that has built lasting client relationships and set us apart from our peers.

Investment Core Principles

BBH applies this set of core principles across the full breadth of our investment portfolios:

- Focus on capital preservation
- Conduct deep, bottom-up, fundamental research
- Invest with a long-term perspective
- Be disciplined and patient

“ A challenge in ESG is how best to measure and analyze these factors, but 2020 was a year when companies recognized the need to provide investors with better ESG data and, just as importantly, a narrative around that data.

– Steve Werber
Managing Director,
Investment Management



Portfolio Company Spotlight Kadant

As a leading supplier to the global pulp and paper industry, Kadant isn’t exactly a household name. Yet, this Massachusetts-based company plays a central role in producing more sustainable materials and improving the recycling process.

In pulp, paper, and wood processing, customers use Kadant’s products to manufacture environmentally-friendly packaging, toilet paper, tissue, and wood products. The company also makes biodegradable granules derived from papermaking by-products, which are used for spill cleanup, liquid stabilization, and bioremediation.

Meanwhile, Kadant’s equipment covers key steps in the recycling process, including bailing, pulping, screening, and cleaning, so more material makes its way into recycled products rather than the landfill.

In 2021, Kadant joined the United Nations (UN) Global Compact, the world’s largest corporate sustainability initiative. Meanwhile, this unsung hero in sustainability earned a spot on Newsweek’s 2021 list of America’s Most Responsible Companies and was recognized by the Associated Industries of Massachusetts (AIM) for excellence in environmental stewardship, and contributions to social well-being and economic prosperity.

BBH invested in Kadant in 2019 after concluding that this established company was well positioned to benefit from the growing demand for sustainable, low-carbon, and recyclable material. While Kadant’s ESG factors are only part of its success, they are indicative of a forward-thinking company that understands that growth and sustainability are increasingly intertwined.

Introducing an ESG Framework for Securitized Assets

During 2020, BBH introduced a first-of-its-kind comprehensive framework solution for evaluating ESG exposure in the securitized fixed income market. Despite making up more than a quarter of the U.S. fixed income market, securitized assets are an often-overlooked opportunity to manage ESG exposure in a fixed income portfolio while boosting risk-adjusted yield. The securitized fixed income market includes agency mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), asset-backed securities (ABS), and collateralized loan obligations (CLOs).

The challenge with incorporating ESG assessments into this asset class is that a single security includes many different components that each require their own evaluation approach. The lack of ESG investment frameworks to date have left a void in coverage of this part of the market. Yet, relying on individual corporate ESG ratings of the underlying entities ignores the complex features of a securitization.

To better analyze ESG risk in securitized assets, we set out to create a framework. We conducted a detailed survey of more than 30 securitized sectors to develop our proprietary ESG Risk Assessment Heat Map, finding that ESG risks for securitizations are generally low relative to the corporate bond universe (with a few conspicuous exceptions). The securitization market produces a novel ESG profile, and we found direct empirical evidence that securitizations insulate investors from ESG event risk, strongly underscoring the need for a specialized ESG approach to securitized fixed income. From this, we created a specialized framework which affords a fixed income investor the opportunity to broaden their existing ESG integration approach beyond their current corporate holdings and should be an important tool in managing any ESG-responsible fixed income strategy.

“ We created our own framework for incorporating ESG in the structured credit universe, because it seemed there was nothing out there in this space.

- Neil Hohmann
Managing Director, Investment Management



ESG Factors

The evaluation of ESG factors as part of our investment research process helps us effectively assess the long-term sustainability and durability of our companies and credits.

- **Environmental** – Entities that are judicious in their use of resources, are aware of climate risks, and are appropriately mindful in their environmental impact may gain efficiencies that drive profitability. They are also less likely to create unforeseen liabilities that can erode enterprise value.
- **Social** – Maintaining high standards for internal and external conduct can help entities to build strong and diverse cultures, drive better long-term outcomes for all stakeholders, and limit adverse regulatory action.
- **Governance** – Analyzing the quality of management teams, ownership structures, and the framework of rules, practices, and incentives under which organizations operate are cornerstone elements of long-term sustainability. Our view is that well-managed businesses, where management teams act like owners, are more likely to manage resources efficiently, create value for shareholders over the long-term, protect the rights of creditors and to maintain access to the credit markets. These are essential characteristics of businesses that we choose to own for our clients.

ESG Integration

ESG integration is embedded within our bottom-up approach:

- Our team of approximately 50 equity and fixed income investment professionals are responsible for incorporating key ESG criteria into our investment analysis and decision-making process.
- Each of our investment teams employ a tailored approach that is best suited to their specific strategy while remaining consistent with our overall investment philosophy and process.

Municipal Bonds

Protecting our Clients' Municipal Bond Portfolios from ESG Risk – More Important Now Than Ever

Capital preservation has always been our top priority, which is why we integrated ESG risk factors into our credit research process many years ago. Beyond evaluating each municipal bond issuer and their behavior and policies, we also evaluate ESG risks related to the pledged revenues that back certain bonds. For an ESG integration approach to be impactful, we believe an investor needs to look beyond the surface labels such as “green” or “social” bonds. Instead, ESG is an important lens to identify potential unmitigated risks. It is one thing to ask whether a power company pollutes and it is another to ask whether it can withstand a natural disaster.

We did not anticipate the global pandemic last year or that wide swaths of our economy would be shut down. In many respects, 2020 was the most difficult credit environment that we have ever faced. It was certainly the most volatile bond market we ever faced, well beyond what we experienced in the Global Financial Crisis. Our conservative credit process played a critical role in helping to protect client assets and has been well received by our clients. It wasn't the ESG component alone, but it was certainly important.

Because ESG standards are still evolving, we often find that what distinguishes one manager from the next is how ESG principles are applied. To learn more about our approach please read our latest [Strategy Insight](#).

- We commit ourselves to the careful study of factors that could cause impairment of capital. As with any potential risk, if those risks are not adequately addressed and mitigated, it may inform our investment decision.
- Through our bottom-up research on companies and industries, strong engagement with management and issuers, as well as our continual efforts to monitor the regulatory and governmental environment, we continuously refine our insights into how to incorporate ESG factors.

Please visit our ESG webpage and [ESG Position Statement](#) for further information.

2020 FOCUS & HIGHLIGHTS

Thought Leadership & Industry Engagement

To keep updated on the ongoing advances in the ESG industry, the Investment Management team and the ESG Oversight Committee regularly attend ESG conferences and liaise with specialist research firms, thought leaders, and our international network of investors. The team also routinely publishes content and conducts firmwide educational sessions so that every BBH employee understands—and is equipped to help clients understand—the firm’s distinct approach.

Principles of Responsible Investment



During 2020 we became a signatory to the UN-supported PRI,

which was a key deliverable under our Sustainable BBH program. The PRI is a United Nations-supported international network of investors working together to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices. Signatories contribute to the development of a more sustainable global financial system, and our membership is a reflection of our commitment to promoting the incorporation of ESG into investment.

Engagement Statement

In 2020 we published our [Engagement Statement](#), which articulates how we engage with companies and issuers as part of our investment process. Active engagement with management teams to positively influence corporate behaviors is an important component of our bottom-up, research-driven investment process. It provides our investment teams with greater insight into a company or issuer’s risks and opportunities, which often include ESG-related issues. In their interactions with management teams our portfolio managers and analysts encourage transparency and proactive disclosure of ESG-related data. This helps us ensure that material risks are appropriately managed and communicated.

Client Education

In 2020, we received 21% more ESG-related RFP inquiries, building on a 33% increase experienced in 2019. We continue to see more detailed questions and demand for an advanced level of information. It is critical that we articulate our approach to support client decision-making and to educate our clients on how ESG might impact their investment portfolios.

Internal Alignment and Education

Throughout the year, Investment Management participated in a range of internal and external educational sessions focusing on ESG integration and best practices. We also continued to collaborate with both our Private Banking line of business and the Executive Sustainability Council on the ESG landscape and what it means for BBH, our clients, and other stakeholders.

Becoming a signatory reflects BBH Investment Management’s commitment to responsible investment.

ESG Oversight Committee 2020 Engagement

BBH Investment Management's ESG Oversight Committee, along with our investment and client-facing teams, play an important role in responding to the increasing interest we receive from our equity and fixed income clients around the globe. During 2020, our ESG Oversight Committee and investment teams were strongly engaged in ESG integration activities, monitoring regulatory developments and industry best practices, and data research tools. This supported our objective of continually enhancing Investment Management's overall ESG program and enabling a high volume of ESG engagement with our clients.

“Integrating ESG factors into our credit process helped to protect the clients through what was basically the worst municipal investment environment of our careers.”



- Gregory Steier
Managing Director,
Investment Management

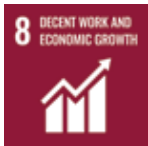
KEY INDICATORS

Indicator	2020 Result	2019 Result
Responsiveness to Client Needs		
% increase in ESG-related RFP responses	21%	33%
Certifications & Affiliations		
Become a PRI signatory	BBH Investment Management is a signatory to the UNPRI, as of August 14, 2020.	Concluded extensive due diligence and set goal to join in 2020
Investment Process		
% of new investments evaluated with ESG criteria included in investment process	100%	100%
% of new investment summaries that include discussion of ESG factors	100%	100%
Thought Leadership & Education		
Employee ESG Training and Education Hours	1,500+	n/a: New for 2020 Report

SUSTAINABLE INVESTING



Help our Private Banking clients articulate and realize their vision for philanthropy, sustainable investing, and values-based planning, while leveraging BBH resources to support broader education and awareness around sustainable investing.



UN Sustainable Development Goal: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

As an advisor to private business owners, individuals, families, endowments, and foundations, BBH focuses on helping our Private Banking clients achieve sustainable investment outcomes while navigating complex decisions around how to deploy their resources responsibly.

At BBH, we have always believed that our clients' values and wealth planning decisions go hand in hand. Yet, in 2020 we saw a shift in how our clients think about how their financial decisions could have a positive impact, both directly and indirectly. While the last year has been fraught with tragedy and tension, these challenges helped catalyze more meaningful conversations around philanthropy, values-based estate planning, and sustainable investing.

Our clients continue to see the benefits of integrating ESG factors into the investment process. However, we recognize that every client may prioritize these differently, which is why we see sustainable investing not as a product, but an approach. It is highly personal and often varies even within the same family.

Values-based planning and philanthropic advisory are major elements of the ongoing conversation we have with our Private Banking clients. But in 2020, this work came to life—from challenging conversations with young adult children living at home to changing course philanthropically to meet immediate needs related to COVID-19.

On a practical level, many of our clients embraced video conferencing as a valuable tool for bringing together family members, investment committee members, and multiple advisors for more frequent, timely and, in many cases, more productive meetings.

Events, education, and research have always been a cornerstone of our sustainable investing and planning practices. They not only benefit our clients, but they help raise awareness of issues that are important to society as a whole. We moved everything to a virtual platform in 2020 and are pleased to say that most of these events were widely attended, even more so than previous in-person events. Looking ahead, we hope to continue to make events more accessible, providing opportunities to convene both in person and virtually.

We are particularly proud of our Center for Women & Wealth (CW&W), which celebrated its fifth anniversary in 2020. We launched this initiative to bring more attention and resources to women as they make thoughtful decisions about their wealth. In doing so, we hope to promote financial inclusion, not just for women, but for all underserved populations.

Spotlight Church Investment Group

Church Investment Group (CIG) is an Episcopal nonprofit that has a dual mission: to strengthen the Episcopal Church through full time, professional management of its substantial assets and to invest the Church's corpus wisely and ethically. CIG helps Episcopal organizations join together in shared faith and values while realizing the benefits of scale in investing. It makes investments in corporations that have sustainable environmental approaches, conscientious human rights policies, and good corporate governance practices while seeking to generate market competitive investment performance.

As a UN PRI signatory, CIG works with all of its investors to adopt ESG investment strategies and ethical investment policies. In 2020, CIG engaged BBH—which is also a UN PRI signatory—to act as a CIO for the organization and help it manage its members' assets more effectively and efficiently. In addition, BBH also worked with CIG to help educate its members and work with them to adopt ESG investment strategies. As a result of this partnership, BBH is customizing its portfolios to reflect the ESG factors and initiatives that are most important to its members. It was important to CIG that its investment partner go beyond mere negative screening and engage actively with companies in order to demonstrate real world impact.

“BBH’s active investment approach allows us to be agile as we navigate an ever-evolving market, while ensuring that we have a steady hand guiding decisions looking out along a long-term horizon. With BBH as our partner, we can know what we own, profit from investing in sustainable businesses, and assess the impact of our investments in more meaningful ways than we were able to do before.”

- JoAnn Hanson
President and CEO of CIG



“The events of 2020 catalyzed philanthropy. Clients who were not yet serious about their philanthropic work became serious very quickly, and among clients who were already very philanthropic, we saw a lot of missions shift to respond to changing needs.”

- Adrienne Penta
Managing Director, Private Banking



CORE PROGRAMS, POLICIES, & PRACTICES

SUSTAINABLE INVESTING

ESG Investing

BBH's investment philosophy naturally aligns with the core tenets of ESG. BBH employs active, bottom-up, fundamental research, which when executed properly is consistent with ESG investing. We seek to identify high-quality businesses that have the potential to compound capital through a full market cycle. Such companies tend to exhibit the following qualities:

- Superior corporate governance
- Strong relationships with all stakeholders
- Policies that support the sustainable use of resources
- Management teams with high integrity and ethical standards

Focusing on such ESG factors invariably steers us toward sustainable companies.

BBH is committed to the evaluation of ESG factors as part of our investment research process because it helps us effectively assess the long-term sustainability and durability of our companies. We firmly believe that ESG investing does not mean that investors must sacrifice returns. Quite the contrary, we believe that anchoring our investment process in sustainable companies benefits our clients' portfolios over time.

“ Our investment philosophy naturally aligns with ESG investing as we seek to invest in high quality sustainable companies that have the potential to generate compelling returns over time. Good ESG practices drive good results.

- Suzanne Brenner, Partner



ESG Investing Tools and Methodologies

BBH helps our Private Banking clients realize their specific ESG mandates through portfolio customization, ongoing analysis, and shareholder engagement. For families and nonprofits concerned about measurable exposure to industries and products in conflict with their respective values, we leverage MSCI ESG Research to optimize client portfolios to help meet their sustainable investment objectives. For example, if a Private Banking client wishes to invest in a portfolio free from exposure to fossil fuels, BBH will identify all direct and indirect investments (i.e., underlying holdings in a fund) that derive any revenue from fossil fuels, divest from these strategies, and restrict any new investments.

In addition, if our clients are interested in engaging with the businesses in which they invest, we offer customized proxy voting strategies for individual stock portfolios. Clients can join other like-minded investors and vote in accordance with established public guidelines or they can cast their own ballot. Importantly, clients can choose to implement some, all, or none of these sustainable portfolio optimization strategies, and they can make changes at any time.

Private Banking Client Engagement and Thought Leadership

Conversations about what sustainability means to each client and how we might help implement their vision are occurring with frequency. As a result, we continue to create educational content and commentary on how ESG criteria might be deployed in client portfolios—for both internal and external audiences. We have published a number of articles and presentations on sustainable investing, and our philosophy on sustainable investing is captured in “[What We Believe: BBH's Eight Principles of Sustainable Investing](#).” Our intent is to ensure all client-facing professionals have the knowledge and fluency to engage their clients on these topics.

We educate ourselves about the dynamic field of sustainable investing, through conference attendance, continuing education provided to all our relationship managers, and conversations with industry leaders, so that we might provide the best possible advice to our clients.

As sustainable investing continues to evolve and new trends emerge, our goal is to understand how other investors—both among those who manage assets for BBH clients and in the investment community broadly—are using ESG criteria in their analyses and how the application of this criteria is changing over time.

We are also engaging more frequently with privately-owned and family-owned businesses on sustainability, including advice on how to integrate ESG factors, apply it to their markets and industries, and communicate their efforts effectively to the marketplace.

VALUES-BASED PLANNING

Values-Based Planning Framework

Families who begin their wealth planning by affirming and articulating their core values tend to be more successful at meeting their long-term objectives. Conversations about family, wealth, and values can be daunting to some. In three steps, our proprietary values-based planning framework makes the conversation approachable, helping Private Banking clients articulate their values and then use them to make decisions about how their wealth is invested, saved, spent, and given away.

1. Understand how the family's history has influenced and determined its values.
2. Assess how they spend their time, influence, and money, and then align their plans and actions to express what is most important.
3. Create a communication plan to engage family members, especially the next generation.

Communication planning is just as important as estate planning or financial planning as it is a key element for families in establishing an environment of trust.

Center for Women & Wealth

The mission of BBH's Center for Women & Wealth, founded in 2015, is to engage and support women in the creation and management of wealth and to create a dynamic and inclusive environment for conversations about family, wealth, and values. Women have long been

underserved by the financial services industry—51% of women say that their financial advisors do not understand them or their objectives.* The CW&W originally created values-based planning to address this issue—to truly understand our female clients and their objectives for their wealth. Today, the CW&W continues to innovate tools and service delivery to: support and attract female clients; engage and build our robust network of women through events and other engagements; provide our best advice to women business owners; and create an inclusive environment for all client.

Next Generation and Intergenerational Planning

Preparing the next generation to steward a family's sustainability mandate is critical to long-term success. We work with families to create customized programs and demonstrate how their values—including those around sustainability—can drive decision-making about investing, planning, and charitable giving.

PHILANTHROPIC ADVISORY

The Philanthropic Journey

Philanthropy can be a way to help others, support a community, advocate for change, set an example for family members, or leave a permanent legacy. The philanthropic journey is always different for each client. Our work to help Private Banking clients become strategic philanthropists and successfully make the impact they intend often includes: defining the role of philanthropy during the client's life and in the estate plan; setting the structure, vehicle, and type to help maximize the impact on family and charitable recipients; creating a framework for governance and administration; and crafting a strategic plan to build an effective team and engage the next generation, design grants, and, ultimately, measure impact.

Innovative Impact Beyond Charitable Giving

When donors are ready to move beyond traditional philanthropy, we help them investigate innovative ways of structuring charitable activities and investing directly in positive change, including hybrid investment vehicles and program-related investments.

* Source: CTI

Luis Miranda: A Different Script for Philanthropy



Long before Lin-Manuel Miranda turned the story of Alexander Hamilton into a groundbreaking and critically acclaimed musical, he understood the power of civic engagement. In 1990, Lin-Manuel’s father, Luis, helped found the Hispanic Federation, which seeks to support and advance the Hispanic community, and along with his wife, Luz Towns-Miranda, instilled in his children the importance of service, activism, and philanthropy.

With the success of “Hamilton” and other creative ventures, the Mirandas were soon able to make an even greater impact on their community and the causes they support. “My megaphone turned into a really big and loud megaphone in the wake of the success of ‘Hamilton,’” Lin-Manuel observed.

With the help of their BBH team, the Miranda family considered many different options, including a private foundation, before arriving at the best solution: working with the Hispanic Federation to help it establish a donor-advised fund program, of which the Mirandas would be the founding donors.

Donor-advised funds are often used by individuals and families to set aside charitable tax dollars to be distributed over time. However, they also provide many of the same benefits as endowments and private foundations without the administrative costs and requirements. To that end, the donor-advised fund program at the Hispanic Federation allows donors to recommend gifts from their funds to the multitude of causes and organizations that the federation supports, as well as charitable organizations outside its network.

While the donor-advised fund provides the Miranda family with an efficient vehicle for making their own charitable contributions, it uses the family’s “megaphone” to inspire other individuals and organizations to join them. Since the Mirandas helped establish the Hispanic Federation donor-advised fund program in 2018, many others—including Oprah Winfrey and celebrity chef Aarón Sánchez—have contributed to the fund or directly to the federation. For this, the Miranda family deserves a standing ovation.

2020 FOCUS & HIGHLIGHTS

Values-based planning and philanthropic advisory are major elements of the ongoing conversation we have with our Private Banking clients. In 2020, this work came to life—from challenging conversations with young adult children living at home once again to philanthropists changing course to meet the immediate needs in the wake of COVID-19. Sustainable investing also continues to become a significant component of the client conversation, with the addition of resources and expertise across the firm.

Engaging Private Banking Clients on Values-Based Planning, Philanthropy, and Corporate Social Responsibility

In a year that saw worldwide pandemic, isolation and stress, a contentious presidential election, and extraordinary tensions around race and equity, both the families and business owners we work with had more difficult conversations than in any year in recent history. BBH Private Banking provided insights around corporate DEI strategies, navigating complex relationships, and family communication and systems throughout the year. While challenging, this year provided many clients the opportunity to put their values into action as parents, grandparents, philanthropists, business leaders and community leaders. We are proud that at many times we were able to share the journey of 2020 with them.

Fifth Anniversary of the Center for Women & Wealth

The BBH Center for Women & Wealth celebrated its fifth-year anniversary in Fall 2020 with a virtual event on the future of women, wealth, and work, featuring a conversation with Anne-Marie Slaughter, the CEO of New America, and Juliette Kayyem, Faculty Chair of Homeland Security Program at Harvard's Kennedy School and CNN National Security Analyst.

BBH Investment Management Becomes a Signatory to the UN PRI

In 2020, BBH Investment Management became a signatory to the UN-supported PRI. Private Banking engages Investment Management to invest a significant portion

“ Last year provided a unique opportunity for families living in different places to come together virtually and have meaningful conversations around wealth planning, philanthropy and their values.

- Anne Warren
Senior Vice President,
Private Banking



of client assets, making this commitment significant to all Private Banking clients.

Philanthropic Roundtables

While many of our clients were considering how to give with the most impact during a time of crisis, we convened a series of roundtables over video conference so that they could connect with each other, share lessons learned, and benefit from the collective wisdom of like-minded philanthropists.

Engaging with Managers on ESG

Our Investment Research Group continues to engage with our managers on ESG considerations and notes substantial progress was made in 2020. Our largest external manager (by assets under management) signed the UN PRI, and our second largest manager drafted its first responsible investing policy and plans to become a UN PRI Signatory in 2021. In addition, one of our credit managers released an engagement report that details the full list of companies they engaged with on ESG matters in 2020. Lastly, another one of our credit managers hired their first firmwide head of ESG.

Launch of Capital Partners ESG Working Group

At the end of 2020, BBH Capital Partners (BBHCP) formally established an ESG Working Group. Historically, BBHCP has considered ESG criteria in its pre-closing diligence and strategic planning with new investment targets and its post-closing work with portfolio companies. The ESG Working Group will work to enhance and refine the implementation of ESG criteria so that they are included in our investment selection and portfolio company oversight for future BBHCP investments.

SUSTAINABLE INVESTING AT BBH

SEEKING FINANCIAL RETURNS

SUSTAINABLE INVESTING

Investment approaches that incorporate client values, ESG criteria, and impact goals.



ESG INVESTING

Incorporating ESG criteria into investment decision-making to manage risk and generate sustainable, long-term return

The managers on BBH's platform are active, bottom-up, fundamental investors with a quality bias and are well-aligned with ESG investing.



SOCIALLY RESPONSIBLE INVESTING

Investing in alignment with a client's values and personal investment criteria

BBH offers this solution to clients to allow them to build customized portfolios that are aligned with their values.



IMPACT INVESTING

Direct investment in a vehicle to impact a specific cause (e.g., investment in a microfinance company in Africa)

Impact investing is typically executed through private markets and can be complex from an implementation perspective. BBH works with clients to help achieve their impact objectives through our network of consultants.

NOT SEEKING FINANCIAL RETURNS

PHILANTHROPY

Time, talent, ties, and treasure (assets) to non-profit organizations to give back, help communities, set an example for one's family, and leave a legacy



PHILANTHROPIC ADVISORY

BBH advises clients on a comprehensive set of philanthropic topics and helps clients engage family members in their philanthropy

Some of the many ways we help our clients are:

- Defining the role of philanthropy in their wealth and estate plan
- Structuring their activities based on their current circumstances and the driving forces behind their philanthropy
- Assistance with board creation, succession, and philanthropic administration
- Strategic philanthropy and execution, e.g., designing grants and measuring impact
- Getting directly involved in charitable causes aligned with their mission

There is no assurance the investment objectives will be achieved.

KEY INDICATORS

Indicator	2020 Result	2019 Result
Certifications & Affiliations		
Become a PRI signatory	BBH signed in 2020	Set goal to sign in 2020
Investment Process		
% of AUM managed by PRI signatories	81%	5%*
% of AUM managed by investment managers with an ESG policy statement	82%	82%
% of third-party managers evaluated against ESG criteria in annual reviews	100%	100%
Thought Leadership & Education		
# publications	20 articles related to sustainability	16 articles published on bbh.com. 2 sustainability-dedicated editions of BBH's digital/print magazines Philanthropy Insider and Women & Wealth
# sustainability-related events hosted (philanthropy, values-based planning, gender parity)	17	30
# attendees to sustainability-related events	1,504	650
Diversity		
% diversity of new BBH Capital Partners investments based on ownership/management	25% of new Capital Partners investments in companies that are substantially owned or led by a woman or BIPOC	N/A: New for 2020 Report

*Note: BBH Investment Management became a PRI Signatory in 2020.

Investment Advisory Products and Services: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

CYBERSECURITY



Continue to adapt cybersecurity practices in the face of an evolving threat landscape, enlisting every BBH employee in the effort to protect the privacy, intellectual property, and data of our clients, employees, and business partners.



UN Sustainable Development Goal: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

Technology has made it possible to communicate, collaborate, and share data seamlessly and from any location. But the same technology on which we increasingly rely, especially during a period of mass migration to remote work, is being exploited by cybercriminals. That is why BBH is committed to protecting the privacy, data, and intellectual property of our stakeholders. We maintain a multi-layered protective environment to safeguard stakeholder assets from external and internal threats, and continually work to strengthen our controls as attack strategies evolve. We recognize that information security has a social impact that extends beyond our direct business relationships and activities.

In 2020, businesses globally shifted to a remote work environment, extending the bounds of every organization's network perimeter. At the same time, we saw an evolving threat landscape that has grown in the frequency, scope, and sophistication of attacks.

Against this changing industry and risk landscape, BBH has had to be vigilant to maintain a resilient business in the face of cyber threats. The shift to remote work brought additional considerations and analysis about how we conduct our business, and protect our stakeholders' data. We responded by focusing on governance, education, third-party risk management, and external validation of the strength of our cybersecurity program.

With employees working from home, it's even more important to ensure they are an active part of our cyber protection practice. We focused on improving employee awareness of cyber threats through a methodical and multi-pronged training program, drawing attention to the most common attack vectors—for example, phishing emails. We train employees on how to identify, respond, and not fall victim to this very real threat.

We go to great lengths to ensure that all of our third-party business partners are assessed and reviewed for cyber preparedness. In 2020, we emphasized this analysis and engagement with third-party partners to our firm, many of whom were also operating in a distributed work model.

In a time where cyber attacks and systems resiliency issues are on the rise, it is becoming increasingly important for BBH to demonstrate that we maintain a consistent set of parameters around the controls that support our core business services.

CORE PROGRAMS, POLICIES, & PRACTICES

BBH's cybersecurity program is consistent with applicable global cyber security and data protection laws and regulations. Our core programs are built upon industry best practices and guidance that are used as benchmarks by the Cybersecurity team to assess and improve the firm's overall security posture.

Our Cybersecurity Program includes:

- Written policies and procedures documenting actions required firmwide to mitigate cyber risks
- A designated Chief Information Security Officer to administer and oversee the program
- Periodic cyber risk control self-assessments, as well as reviews to monitor the effectiveness of implemented controls and the program as a whole.

Employees are trained on our Cybersecurity Program and policies when they join BBH and annually. Our Cybersecurity Policy sets forth the program framework, responsibilities of key personnel, and control requirements for various groups within BBH. The policy is reasonably designed to comply with applicable regulatory requirements.

The program is designed as a multi-layered protective environment safeguarding BBH assets from external and internal threats. Security operations supplements the controls via various vulnerability assessments, trend analyses, and continuous security monitoring.

The program's components include, but are not limited to, third-party risk, identity and access management, infrastructure defense, network, perimeter, and insider threat monitoring, and cyber incident management. These components, combined with a robust training and communications program, build a more resilient organization.

COMPLIANCE AND CERTIFICATION

Regulatory Compliance

BBH operates in compliance with applicable privacy, banking, and securities regulations in each of our operating jurisdictions, including U.S. federal law, U.S. state laws, international data protection requirements, and international cyber and technology guidance and regulations. This includes, but is not limited to, New York Department of Financial Services (cybersecurity regulations), Central Bank of Ireland Guidance, Commission de Surveillance du Secteur Financier (CSSF) Luxembourg, FINRA rules (U.S.), the privacy provisions of the Gramm-Leach-Bliley Act (U.S.), and the E.U.'s General Data Protection Regulation (GDPR). BBH's Compliance and Enterprise Risk Management teams monitor and track evolving regulations and laws to identify additional requirements and provide input to the cybersecurity program to provide for timely compliance.

Industry Frameworks and Annual Certifications

BBH follows industry best practices and guidance and attests annually to New York State's Cybersecurity Requirements for Financial Services Companies, as well as the SWIFT Customer Security Program and Shared Infrastructure Program. In 2020, BBH Investor Services received its first SOC2 Type I report covering Security and Availability controls for key systems.

Data Protection Officers

BBH Data Protection Officers fulfill the obligations set out in Article 39 of the GDPR including, but not limited to, informing and advising on the obligations under the regulation, monitoring BBH's compliance with the regulation, conducting data protection impact assessments as necessary and cooperating with supervisory authorities when necessary.

POLICIES AND CONTROLS

Information Security Policies

BBH's systems and policies work in tandem to define fundamental principles for the protection of the firm's information resources, including the proper controls necessary to address the security goals of confidentiality, integrity, and availability. Annually, or as needed, policy owners review firmwide and systems policies and present material updates to the appropriate oversight committee for its review. Material policy changes are communicated to BBH personnel as appropriate.

Privacy and Confidentiality Policy

BBH's Privacy and Confidentiality Policy (PCP) is one of several policies included in every employee's mandatory annual compliance training. It provides a framework for handling sensitive information, e.g., confidential information, personally identifiable information, and material non-public information; articulates clear "need to know" boundaries; and explains the legitimate business purposes and circumstances under which information can (or cannot) be shared—including with external parties. The PCP also requires employees to promptly report any actual or suspected data disclosures to the Privacy Officer.

In addition to our internal policy, BBH also maintains a public privacy policy, available on our website.

Infrastructure Security

BBH's Infrastructure Security team supports, tests, implements, deploys, maintains, and administers the infrastructure devices, such as firewalls, intrusion detection systems, and intrusion prevention systems required to effectively manage the firm's network, mitigating a significant number of cybersecurity threats.

Identity and Access Management

For firm systems and information, we follow the objective of least privileged access, granting appropriate access to employees for their roles and responsibilities both inside and outside of BBH locations. Systems implements additional restrictions for privileged access to production systems in order to further reduce risks to sensitive data and operations.

Network, Perimeter, and Insider Monitoring

BBH conducts 24/7 monitoring of security threats. The firm's security operations center, supplemented by a managed security service provider, is responsible for detecting all internal and external anomalous activity on our network, providing for quick escalations with appropriate transparency and reporting to the firm's leadership.

Third Party Risk

BBH's Vendor Technology Assessment program exists to ensure the confidentiality, integrity, and availability of BBH and client data when using a supplier. For more information about this program, please read Supplier Code of Conduct ([page 96](#)).

Continuing to Incorporate Privacy-By-Design

BBH considers privacy from the start of every project and incorporates it throughout, rather than attempting to back privacy into existing processes. We continue to regularly review and update our personal data inventory, working globally to document our processing of personal information.

EMPLOYEE VIGILANCE

Cybersecurity Training and Awareness

Social engineering remains one of the highest risks posed to any organization. A year-round program, consisting of computer-based training, in-person training, a formal phishing awareness program, and regular firmwide communications about new threats, strives to make our employees more aware and educated on cyber risks.

Our phishing awareness program is designed to test and educate our employees inclusive of sending periodic communications to all employees, which simulate phishing emails imitating real attacks. This training is supplemented by firmwide awareness communications.

Cybersecurity Hotline

BBH operates a 24/7 cybersecurity hotline that empowers staff to quickly escalate any related concerns; the hotline funnels all alerts to the Cyber Incident Response Team for triage and decisions.

CYBER INCIDENT MANAGEMENT

BBH maintains and employs a robust Cyber Incident Management team that is part of the firm's overall Enterprise Incident Management group. This program component is focused on training and awareness of all employees as well as the conducting of scenarios to prepare the organization for actual cyber attacks.

Incident Response Plan

BBH uses an incident response plan designed to promptly respond to, and recover from, any cybersecurity event materially affecting the confidentiality, integrity, or availability of our Information Systems or the continuing functionality of any aspect of BBH's business or operations.

Response to Data Disclosures

BBH reviews, escalates, and resolves reported data disclosures according to a defined process based on regulatory and contractual requirements, as well as industry best practices.

INDUSTRY COOPERATION AND ENGAGEMENT

Thought Leadership and Industry Engagement

BBH cybersecurity personnel keep abreast of threats and countermeasures through information sharing organizations such as Financial Services Information Sharing and Analysis Center (FS-ISAC), Securities Industry and Financial Markets Association (SIFMA), United States Computer Emergency Readiness Team (USCERT), and Society for Worldwide Interbank Telecommunication (SWIFT). The team regularly contributes to and attends cybersecurity industry and vendor conferences.

Maintaining a Strong Pipeline of Cyber Skills and Talent

As part of adapting the cybersecurity team's size and specialist skills to match evolving best practices and threats, BBH engages with Drexel University for co-op opportunities in cybersecurity and supports employees in joining WiCyS (Women in Cybersecurity) and attending their annual conference.

100% participation in employee phishing awareness program

2020 FOCUS & HIGHLIGHTS

External Audit of BBH Cybersecurity Program

In 2020, BBH Investor Services obtained a SOC 2 Type I report to provide an increased level of assurances to our clients, showing them that we take the protection of BBH data, and the data we hold on behalf of our clients seriously, and that they can trust our systems to support their business functions.

FS-ISAC United States Secret Service Tabletop Exercise (December 9, 2020)

BBH participated in this half day exercise that involved participants from various financial organizations. The event included a presentation on business email compromise led by experts at the United States Secret Service. Participants then engaged in a tabletop exercise that stressed the importance of developing relationships with local and federal law enforcement prior to an incident occurring.

Perimeter Security Prevention and Detection

BBH continues to automate and fine-tune our perimeter protection of BBH offices and our remote workforce platform. In 2020, cybersecurity focused several initiatives on leveraging threat intelligence information to address new variants of probes.

Enhancing Phishing Awareness Program

BBH enhanced our Phishing Awareness Program in 2020 by increasing the complexity of simulations and establishing metrics for optimizing program insight. At a regular but random cadence, employees received simulated phishing attempts, both to familiarize them with various tactics, as well as measure their awareness and susceptibility. Point scorecards help each employee understand their personal susceptibility, and mandated additional training or appropriate disciplinary actions continued, when necessary.

KEY INDICATORS

Indicator	2020 Result	2019 Result
Cybersecurity Strength - <i>Attest to compliance with the standards set by the following bodies.</i>		
New York State Department of Financial Services – Cybersecurity Requirements for Financial Services Companies	✓	✓
SWIFT Customer Security Programme	✓	✓
SWIFT Shared Infrastructure Programme	✓	✓
Employee Vigilance		
# publications	100%	100%
# sustainability-related events hosted (philanthropy, values-based planning, gender parity)	100%	100%
# attendees to sustainability-related events	63%	N/A: New for 2020 Report

BUSINESS CONTINUITY



Strengthen security, continuity, and connectivity through enterprise-wide incident response

Planning for the unexpected is a philosophy that not only informs our investment decisions, it underscores how we think about protecting our people, technology, and assets no matter what the circumstance. To that end, BBH maintains business continuity plans (BCP) that comprise detailed policies and procedures for operating during emergencies or significant business disruptions, such as acts of nature, malicious attack, political unrest, power outages, and pandemics.

Prior to 2020, a global pandemic fell squarely into the category of a low likelihood, high impact “black swan” event. As the scope and severity of the COVID-19 pandemic became apparent, however, our centralized BCP team moved quickly to ensure the safety of our employees and the continuity of service to our clients. While it took a great deal of work behind the scenes, we were able to deliver all of our services without interruption—and during one of the most volatile markets in recent history.

By late March 2020, we transitioned approximately 97% of our global employees to home offices and other remote work environments. In order to orchestrate this response and continue planning proactively, our BCP Executive Committee has met daily for more than a year as we’ve navigated the pandemic, and engaged with multiple industry associations to share and adopt best practices.

BBH’s COVID-19 response was wide-reaching, but our priorities included:

- **Technology infrastructure:** We tested and improved our remote network, ultimately making more than 700 infrastructure changes, doubling our network capacity, and enhancing our [cybersecurity](#).
- **Internal communication:** We created a COVID hotline and landing page to keep our employees updated and informed, and we distributed more than 100 firmwide communications around best practices and policies for working from home.
- **Home office accommodations:** We adapted our procurement policies to ensure employees had the technology, office equipment, supplies, and other support needed to do their jobs.
- **Productivity and collaboration:** We extended licensing and training for video conferencing, electronic signatures, project management, and collaboration.
- **Hiring, onboarding, and training:** We updated our hiring, onboarding, and training to ensure that we could continue to recruit and [support new talent](#).



UN Sustainable Development Goal: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

Staying Alert and Agile

To keep business running when the environment is anything but usual, we continuously test and refine our scenario-based plans covering every critical area of our business. These include: technology, office, and business recovery; communication and escalation protocols; travel and visitor restrictions; remote access by BBH employees, and more.

We review these plans at least annually, test them regularly, and validate them in the context of current events. While the hope is to avoid all BCP events, each one offers insight, not just in how we can be better prepared for the next uncertainty but how we can improve our operations in all circumstances. As a result of COVID-19, for example, we have learned how to better support employees and the hiring process in remote settings, manage our data centers and office space more efficiently, and use technology to enhance communication with clients, and with each other.

As we write this report in 2021, our BCP team is now focused on creating a roadmap for welcoming employees and clients back to the office, in some capacity, when it is safe. While COVID-19 has likely changed how we think about where we work, what will not change is our ongoing commitment to providing the best service and experience to our clients, while protecting our people, technology, and assets.

“No event is ever going to be the same as the last one, but with the right framework and people, we can stay nimble when a BCP event unfolds.”



- Holly Baillargeon
Senior Vice President, Systems

CORE PROGRAMS, POLICIES, & PRACTICES

The objectives of our BCP are to:

- Provide a safe environment for all employees
- Decrease risk through identifying and implementing preventative measures
- Reduce disruption to normal processing and mitigate interruption to operations and systems
- Ensure orderly recovery from a business interruption
- Minimize potential economic loss
- Comply with legal and regulatory requirements

ORGANIZATION AND GOVERNANCE

Enterprise Incident Management

Our Enterprise Incident Management Team consists of our Business Continuity division and Cyber Incident Response division. The Enterprise Incident Management team works with other areas of the firm to develop consistent policies, procedures, communication, and escalation plans in the event of a business interruption due to acts of nature, malicious attack, or human error. This team reports to the BCP Executive Committee.

BCP Working Group

The BCP Working Group (BCPWG) provides guidance and recommendations to the BCP Executive Committee for overall planning, policy, and program changes through the review of testing and event postmortems. The BCPWG is chaired by the Head of Enterprise Incident Management and includes membership from business executives across our three lines of business.

Meet the BBH Reservists

The right plans, policies, and technology are key to business continuity, but navigating business disruptions and uncertain markets that can create volume spikes and shifts also requires contingency plans for our most important asset—our people. First introduced a decade ago and formalized in 2020, the BBH Reservist program trains employees to provide backup support in critical functions during BCP events or temporary increases in staff demands.

The program is composed primarily of employees who have taken advantage of job mobility to move into a new role or region. While every situation is unique, most reservists cross train on their backup roles so they can step in when needed. In 2020, BBH had 158 reservists in a dozen divisions, ranging from administration to trade management, of which 57 were deployed to ensure business continuity.

“I was glad that the experience I’ve accumulated during my tenure at BBH enabled me to jump in quickly and come through for BBH colleagues and clients during this challenging time. I also found that my time as a reservist gave me new perspective on the workflow between groups that led to ideas about how we could continue to improve our processes in my current role.”

- Albert Kwon
Assistant Vice President



158 Reservists across
12 DIVISIONS

CONTINUOUS PLANNING AND REVIEW

BBH Business Continuity Planning Methodology

We execute a three-prong approach to planning: office recovery, business recovery, and systems recovery. The full-time BCP team provides business units with the tools and training to develop a business continuity plan. Business units develop and maintain their business continuity plans, ensuring that they are updated and effective. BBH reviews each plan annually (at a minimum) and subjects the plans to additional examination by the internal audit department, the BCP team, and, when appropriate, an external auditor.

Rolling Business Impact Analysis

Knowing that risk management and mitigation are not one-time events, BBH conducts business impact analysis assessments on a rolling basis. At the core of our risk mitigation plans is consideration and understanding of client requirements, global client service teams, and a secure centralized technology platform. BCP is part of the systems development lifecycle that requires system owners and project managers to consult with the BCP technical support team during multiple phases of the development lifecycle for the execution of all projects and onboarding of new applications.

Annual Plan Status Reviews and Internal Audit

Each year, the BCP team reviews each business unit's plan, notifying the plan builders, business unit recovery coordinators, and plan owners. This reporting is also shared with various oversight committees for the applicable divisions as well as internal audit and compliance. BBH's internal audit team conducts a continuous rolling audit of BBH's BCP plans by conducting quarterly reviews and participating in all BCP testing exercises.

ROUTINE SIMULATIONS AND TESTING

Recovery Testing

We conduct a minimum of 12 tests annually at three distinct levels—office, systems, and business unit recovery—with a broad scope of test objectives. We retest until the process meets every objective. Each process and contingency site is tested once per year at a minimum. Recovery facilities are tested on a platform or unit basis to include cross-system integration wherever necessary. Tests include application and systems contingency testing, by platform and system. Operational contingency testing includes structured walkthroughs of plans and the transfer of business processes from one BBH location to another.

Remote Access Testing

Employees with the ability to work remotely are asked to attest to their access and ability to perform their routine business functions remotely on an annual basis.

Putting BCP to the Test: Internal and External Tabletop Simulations

We conduct periodic simulations across multiple teams responding to scenarios, including impacts to our buildings, cybersecurity threats, and active shooter scenarios. In addition, we work with third party partners to conduct cyber resiliency exercises to examine detection, response, and recovery actions.

SIFMA Industry-Wide Event Participation

BBH also participates annually in the Securities Industry and Financial Markets Association's (SIFMA) industry-wide business continuity test, a critical exercise that highlights our industry's ability to operate through a significant emergency using backup sites, recovery facilities, and backup communications. During the exercise, BBH

submits test orders and transactions from our backup site to other industry utilities to ensure connectivity with clearing and settlement utilities, market data vendors, and exchanges during an event.

Regulatory Frameworks and Review

Regulators review BBH's BCP protocols. Our program was built considering applicable banking and securities regulations, including but not limited to U.S. federal law, U.S. state laws, NYS Department of Financial Services (NYDFS) guidelines, international data protection requirements, as well as industry best practices, including ISO 22301 and the Federal Financial Institutions Examination Council.

RAPID RESPONSE AND RECOVERY

Common Business Units and Staffing Versatility

BBH leverages common business units across locations globally to minimize the recovery timeline and ensure continuous client and operational support. We cross-train BBHers, across service teams, products, and departments to position them to fill in as necessary during an event. This cross-pollination allows for dynamic resource allocation, allowing employees from one department within the bank to serve another on very short notice in a BCP event.

Distributed and Remote Work

Our BCP covers the distribution of critical functions across non-impacted offices, third-party recovery sites, and remote work from home, which helps ensure continuous client and operational support during an event. BBHers use remote access during the normal course of business as well as in contingency mode. BBH remote access does not limit processing capacity and there is no maximum number of users that can use the functionality for BCP-related purposes.

Employee Awareness and Mandatory Training

Our BCP success depends on our employees' response time when executing their plans. Therefore, BCP training and awareness is a key component of the program. New employees receive training when hired and existing employees must recertify to this training every year (see Our Firm Risk Excellence and Compliance section for more information on employee training and compliance.) Plan owners, planners, and Incident Management Team members receive additional BCP tool training and participate in incident response simulations. A steady stream of e-mail notifications, eLearning, and simulations keep our priorities and plans top of mind across the firm.

BCP Employee Portal and Hotline

BCP maintains a page on the firmwide intranet portal. This portal includes important BCP information and access to the Business Continuity Management tool, which provides designated planners, business unit recovery coordinators, and plan owners quick, easy, and remote access to important information about their group's BCP plan. BBH also maintains a hotline for employees to ask questions or report a potential issue.

Crisis Command and Communication

When BBH invokes a business continuity event, the BCP team activates the Global Crisis Management Team to centralize communication and coordination. If necessary, BBH can manage a BCP event remotely. The Global Crisis Management Team provides critical information and status updates to clients, following a controlled and carefully-managed protocol, typically via e-mail or telephone. In addition, a client's relationship team, including their dedicated Relationship Manager, Client Service Manager, and/or a Managing Director of their local servicing office, are the primary contacts for communicating with that client and addressing questions.

BCP has arranged for critical business and technical staff to have access to the U.S. Government Emergency Telecommunications Services (GETS) program which allows card holders to have priority telephone service in the event of a regional or national emergency.

BBH subscribes to an alert aggregation service called NC4. This service provides us multiple types of alerts that could impact any of our assets globally. The BCP team identifies our locations, the radius for which we want to be alerted for an incident, and the incident categories. NC4 then sends any alert meeting that criteria to our BCP and global security teams.

2020 FOCUS and HIGHLIGHTS

CONTINUING TO ENHANCE CONTROLS ACROSS THE FIRM

Managing a Global Pandemic and Simultaneous Events

In 2020, the COVID-19 pandemic took center stage with 97% of our workforce moved to remote environments across all office locations. While BCP supported Business During COVID (BDC), we also enacted incident response to prepare for and react to several other global events during 2020, including unrest, power outages, third-party cyber incidents, and weather events.

Protecting Our In-Office Essential Workers

In 2020, with limited critical staff continuing to work from our office locations, we implemented new COVID policies and protocols to promote the health and safety of our employees, contractors, and visitors. These included in office safety measures of physical distancing, hand sanitizer, and availability of PPE, along with quarantine, travel, entertainment, and visitation policies.

Staying Connected

2020 was a year unlike any other, and during this unprecedented time BBHers demonstrated strong collaboration and unity across all locations, working together. We implemented new video collaboration tools to optimize our ability to stay connected to each other and our clients, and creative video messages provided new ways to share awareness. Working with our Human Resources colleagues, we sent a BCP Sentiment Survey to all employees to ensure our BCP was working as intended and understand opportunities to optimize the remote environment.

BCP Tool Implementation

In 2020, we implemented a new Business Continuity Management tool migrating all of the business and application recovery plans and going live December 2020. This tool will enhance the overall BCP program by providing new functionality, increased automation, integration of playbooks and enhanced business impact analysis.

Strengthening Playbooks Through Incident Response Exercises

In 2020, we conducted internal simulations responding and recovering from cybersecurity threats and used the results to optimize our playbooks and build on future exercises and awareness opportunities.

2,893

pieces of equipment loaned to staff



Vincent Tse

Associate, Senior Desktop Support Analyst

Keeping BBHers Connected A View from the Office

On-site workers like Vincent Tse made it possible for 97% of BBH employees to work remotely during the pandemic. Vincent shared what it's been like to go to the office every workday as part of a team providing desktop support for BBH employees globally.



The first few weeks last March were very, very busy. We were training a lot of people on how to get connected at home, and we were all getting used to what it meant to have most people out of the office.

There are about 30 or 40 of us who go into the office, versus about 1,900 before the pandemic. I probably interact with about 10 people on a regular basis, and we've gotten to know each other pretty well over the last year.

I personally like coming into work. From the beginning, there have been a lot of controls around when employees or vendors are allowed to enter the building. Those of us who are here have been really good about social distancing and masking, so I feel very safe.

Before COVID, lunch was very social, and I miss going out with my co-workers. Initially, when a lot of restaurants were closed, I decided to just bring my own lunch. It's turned out to be a good routine. I eat healthier and I spend a lot less. I was doing the math, and I think I've saved about \$2,000 over the last year.

It was definitely an adjustment to walk around and see all the empty desks. The really bizarre thing was seeing calendars still open to March 2020, or winter coats hanging up or on chairs in the middle of the summer. I've had people ask me to go check on their plants and give them a little bit of water.

KEY INDICATORS

Indicator	2020 Result	2019 Result
Planning Compliance		
% of lines of business with updated plans	100%	100%
Business Unit Planners	236	251
Business Unit Recovery Coordinators	159	127
Business unit specific plans	161	127
Annual Recovery Tests – All Objectives Met		
Business Unit Recovery	BBH postponed all 2020 Business Unit and Systems Recovery tests due to the global pandemic.	<p>Designed to simulate the loss of processing functions at our primary Data Center. These tests included systems, site, and operational contingency components.</p> <p>✓ All test objectives met.</p>
Systems Recovery	BBH postponed all 2020 Business Unit and Systems Recovery tests due to the global pandemic.	<p>Designed to simulate the loss of processing functions at our primary Data Center. These tests included systems, site, and operational contingency components.</p> <p>✓ All test objectives met.</p>
Remote Access Test	<p>At the onset of the global COVID-19 pandemic, beginning around mid-March 2020, BBH transitioned approximately 97% of staff to remote working environments (thus testing remote access and connectivity daily). All employees were asked to login remotely during a specific time to test capacity at the onset of COVID.</p> <p>✓ All test objectives met.</p>	<p>All employees are asked to login remotely and attest to accessing their applications.</p> <p>✓ All test objectives met.</p>
Communications Test	<p>U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually.</p> <p>✓ All test objectives met.</p>	<p>U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually.</p> <p>✓ All test objectives met.</p>
Notifications Test	<p>Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation.</p> <p>✓ All test objectives met.</p>	<p>Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation.</p> <p>✓ All test objectives met.</p>

KEY INDICATORS (CONTINUED)

Indicator	2020 Result	2019 Result
External Audit & Testing		
SIFMA Industry-Wide test as well as with CHIPS, BONY, DTCC	✓ Test completed successfully; all test objectives met.	✓ Test completed successfully; all test objectives met.
FEMA/CISA COVID-19 Recovery Virtual Tabletop Exercise	✓ Test completed successfully; all test objectives met.	N/A New for 2020
Employee Awareness & Training		
% Compliance with Mandatory Training	100%	100%
# Calls to BCP Hotline	80	N/A New for 2020
# Staff Communications	110	N/A New for 2020
# Reservist Staff	158 Reservists across 12 divisions 57 Reservists were deployed across 9 divisions	N/A New for 2020
Equipment Allocation	2,893 pieces of equipment loaned to staff 558 Laptops 568 Docks 1,767 Monitors	N/A New for 2020



Honor McDonald

Orla Foley

Audrey Jones

Katrin Schmid

OUR PEOPLE

Clifford

Eamon Brennan

Jane Jones

Emily

David Barrett

Simone Vroegop

Ainun Ayub



2020 was a year of listening, learning, and responding. The blending of our work and home lives caused by remote working, coupled with more open and honest conversation about racial equity, fostered new levels of understanding that helped us all deliver our best in this most challenging of times. The benefits to our people, our clients, and our communities of having an increasingly diverse and inclusive organization have never been clearer.”

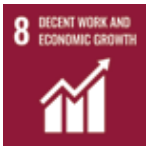
– Chris Brunet, Managing Director
Human Resources Management



LEADERSHIP & TECHNICAL SKILLS



Invest in the leadership and technical skills our people need to be successful in an evolving global marketplace.



UN Sustainable Development Goal

Goal: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

The challenges presented by an evolving global marketplace, ever-changing technology, and shifting client expectations require that we help our employees demonstrate a combination of capabilities and emerging expertise, while fostering a safe environment to learn. It's our responsibility to cultivate our employees' professional growth and to connect them to on-the-job, in the classroom, and online learning from leading experts, peers, and mentors. Being supported by managers in an environment that rewards lifelong learning enables our employees to excel, adapt, and lead in a complex, global business environment.

The year 2020 raised a myriad of questions around what it means to be an effective leader in a virtual work environment, at a time when disruption and uncertainty were woven into the fabric of daily life. The answers proved to be nuanced, with solutions requiring leaders to have greater self-awareness and courageous empathetic leadership. Remote work created new barriers for engagement and career development, but it also opened opportunities to scale learning programs to more employees and improve collaboration on a global scale. Likewise, working from home blurred the lines between professional life and personal life, creating new challenges. Yet, this dynamic also provided more opportunities for managers to make meaningful connections that increased engagement and successful outcomes.

In response to the events of 2020, BBH adapted our core programs and technology to make them accessible and relevant to the realities of virtual work. We looked at leadership and technical training from every angle, from navigating the frustrations and adjustments of daily work life brought on by the pandemic, to supporting employees in their long-term career development. New technology enabled virtual teams to easily connect through video, share ideas, and advance projects—while supporting the variety of work schedules needed to balance competing demands brought by COVID-19. What's more, we offered managers guidance on what may have been the greatest challenge of all: supporting employees in many different circumstances, while continuing to deliver on our commitment to our clients.

There has always been a relationship between employee well-being, diversity, equity, and inclusion, and exceptional leadership. Over the last year, however, these priorities became intrinsically linked and provided managers a new lens to nurture the potential within people and uncover better ways of working. Looking to the future, we plan to continue to approach leadership and training with an emphasis on understanding and honoring our employees' unique histories, circumstances, aspirations, and capabilities.

CORE PROGRAMS, POLICIES, & PRACTICES

Learning is a critical element to creating innovation, ongoing value, and personal growth. Helping our employees gain mission-critical skills aligned to our clients' needs and their individual passions is an ongoing firm-employee partnership and core to our business strategy. The combination of our programs—designed for the arc of a BBHer's career—aims to help our employees grow personally, professionally, and be rewarded for the results they deliver.

PERFORMANCE ENABLEMENT

Employees learn from the advice and role modeling of their leadership and are encouraged to develop their personal network, building a cadre of people from whom they can learn.

Employee Development and Performance

Each year, employees and their managers co-create an individualized roadmap that incorporates specific business deliverables and outlines which strengths and skills they can apply and competencies the employee should develop to help achieve their goals. Open dialogue helps employees stay on track and adjust as needed, while mid-year and year-end reviews provide for formal feedback and recognition.

Manager Assessment

BBH provides a manager assessment as part of the annual performance enablement process. Managers must have a minimum number of direct reports to participate, thus ensuring employee anonymity. The process fosters constructive conversations, including topics that might otherwise be difficult to raise.

Mentoring and Sponsorship

Formal and informal mentoring and sponsorship models are interwoven in our lines of business, departments, and firmwide programs. Each relationship is uniquely determined by its purpose: to learn a new skill, solicit

feedback on ideas, build a broader internal network, or support career progression. These mentorship programs are available to employees of all levels and often sponsored by our Partners.

Talent Cards

The online Talent Card tool serves as employees' internal résumés, capturing their skills, career interests, and achievements all in one place. The firm encourages all employees to share more about what makes them unique, showcasing their talent to their manager, Human Resources, and other senior leaders and helping connect them to more growth opportunities at BBH.

Technology Training

Throughout our business lines, we equip employees with emerging technology that enables automation of processes, enhanced client service, and new ways to collaborate.

LEARNING AND DEVELOPMENT

Designed to suit learners of all types, we provide a mix of collaborative learning, on-the-job experiences, and formal training through multiple channels.

BBH Academy

Our online learning center provides 24/7 access to instructor-led and virtual learning sessions, e-learning courses, and business and technical articles on topics ranging from mandatory compliance and discrete skills specific to financial services to cultural awareness and effective management.

BBH Scholars

We encourage employees to enhance their skills and knowledge for a current or future role through professional certifications or formal education, including undergraduate and post-graduate degrees. Approved applicants receive up to \$10,000 USD (or local equivalent) per calendar year.

“Historically, leaders across all industries were taught that creating boundaries between work life and personal life was the best way to create a professional workplace. But in 2020, we saw glimpses of each other’s lives outside of work, creating more opportunities to understand how we could better support one another. Honoring the complexities of employees’ lives became critical to helping our teams collaborate and successfully navigate the uncertainties we all faced—both at work and at home.”



- Richard Garcia
Vice President, Talent and Development

Leadership Development Roadmap

The Leadership Development Roadmap provides guidance for each stage of leadership—leads self, leads others, and leads the firm. A collection of resources support each stage, which helps managers and employees identify on-the-job, collaborative, and formal learning opportunities to build greater self-awareness, communication, agility, and influence capabilities.

LEAD (Leadership Education And Development) Program

BBH periodically invites a cohort of employees from across the globe to join the LEAD Program, which strengthens participants’ business acumen, financial acumen, and leadership effectiveness. The program begins with a 10-week bootcamp, followed by two years of on-the-job development, positioning these leaders to contribute in new and meaningful ways.

CAREER TRANSITIONS

BBH provides critical career support to employees at pivotal points in their growth and development as leaders and experts in their fields.

BBH Managerial Habits

Managers are the cornerstone of our talent management strategy, playing a critical role in engagement, retention, development acceleration, and career planning. Managing people effectively is already one of the toughest jobs; getting results from others is increasingly challenging with different work styles, ever-changing technology, and the push to accomplish more with fewer resources. To contribute to the continued success of the firm, the BBH managerial habits framework cultivates 16 behaviors that help managers set standards, coordinate resources, drive projects, and— perhaps most importantly—support, engage, and develop their team members.

GROWTH OPPORTUNITIES AND RECOGNITION

Our employees routinely take on new challenges and reinvent themselves professionally. Career paths at BBH are increasingly non-linear, with employees focusing less on advancing straight up in one discipline and instead crossing the organization, gaining valuable perspective, leadership experiences, and a portfolio of transferable skills. Individuals work together with managers to identify stretch assignments and cross-regional, cross-product, and/or cross-functional opportunities. Managers recognize accomplishments day-to-day and employees can earn leadership designations when they have demonstrated characteristics aligned to our culture.

Global Mobility

When our business and clients’ needs create the opportunity, the Global Mobility Program provides employees short- and long-term assignments throughout our global offices, creating a chance to work in diverse markets and develop multi-cultural fluency and global leadership skills.



Karen Jackson

Senior Vice President Investor Services and
Co-Chair of the Women's Network

Cultivating an Inclusive Mindset

There's no perfect manual for what it means to be an inclusive leader or colleague. The concept is personal, situational, cultural—and continuously evolving. Inclusivity is a key ingredient in company culture, client engagement and innovation, as Karen Jackson observed.



I joined BBH in 1989 and worked in a junior role in client services. I was one of the few women at that time working in the London office, and working in finance for that matter. Fast forward 30 years, and I'm now Co-Chair of the firm's Women's Network, which is our largest BBH Affinity Network Community (BANC).

The last year has really evolved how we think about inclusion. The pandemic and social justice movements created a catalyst for people to better understand how systemic issues in the world around us can seep into the workplace. Courageous conversations helped us to better understand the lived experiences of others and the intentional actions required to enable everyone to contribute their best work. We are also now looking how differences in learning styles and well-being impact inclusion. Maybe it's a parent who is really struggling to find a balance with kids at home; maybe it's someone living alone and feeling isolated; or maybe it's someone who communicates or learns differently. There is a new understanding on how equity drives equality.

The industry has changed a lot over the last 30 years. There is a strong focus on diversity now, and not just in the composition of workforces, but also in the diversity of thinking behind the numbers. There's a much greater appreciation for the value of bringing different perspectives into an organization.

All AVPs and up participated in Inclusive Leadership training this year. The biggest thing I took away from it was rethinking how to better navigate the grey area between what is work and what is personal. As leaders, we want to be respectful of boundaries, but we also want to ensure we are having important conversations that can lead to greater success factors. It is important we listen, ask questions, and respond.

Internal Mobility

Because we already know the high caliber of our employees, BBH advertises open roles internally. The recruitment process gives priority to internal candidates to make exploratory, lateral, or vertical moves possible within the firm.

Career Progressions

Employees earn recognition throughout the year for demonstrating growth in their current job, assuming responsibilities beyond the scope of their current role aligned to business need.

Officer Promotions

One measure of continued growth comes from roles with greater complexity and accountability. As these responsibilities grow, so too do the honorary titles. Demonstrating key behaviors, mindsets, skills, and accomplishments creates the opportunity for employees to be recognized with an officer title.

Quarter Century Club

More than 75 years ago, BBH formed the Quarter Century Club (QCC), which celebrates those who have been with the firm for 25 years or more. To commemorate induction, the firm organizes a formal lunch with the Partners, which includes presentations of fond memories and gifts to commemorate the occasion. Each year, the firm hosts a QCC dinner for all past members, active and retired.

2020 FOCUS & HIGHLIGHTS

Hatching New Ideas

With employees working virtually in different locations, BBH launched a new way to innovate and problem solve. “Hatch” brings together employees across the globe to initiate, inform and align ideation activities, furthering our ability to implement innovative solutions across the business. Utilizing an idea-sharing platform, BBHers can post, comment, and vote on ideas that are then moved to an idea validation phase in order to further incubate

and develop. The crowdsourcing event brought together more than 2,000 people and generated nearly 450 new ideas and comments.

Boosting Self-Development with Mind Tools

In support of nurturing ongoing development of our employees, BBH launched Mind Tools—an on-demand learning platform that provides direct access to 2,000+ articles, videos, podcasts and workbooks that provide practical guidance for common workplace scenarios. Topics range from leadership and problem solving, to project management and communication skills. Available to all BBHers, Mind Tools offers diverse learning formats to cater to individual learning preferences.

Peer Learning Through Manager-to-Manager Mentoring Circles

The unique challenges of 2020 magnified the critical role that managers play in supporting, engaging, and developing their team members, and—perhaps most importantly—reinforcing the values of BBH. Managing a distributed workforce presented leaders with a myriad of new challenges that required creative and empathetic solutions from managers across BBH. Peer mentoring circles created cross-departmental connections for managers throughout the company that offered additional support and amplified learnings. Together, managers at various levels designed and led their own sessions around topics such as leadership, team management, diversity and inclusion, and well-being.

Amplifying Leadership Insights

Written by BBH’s Learning and Development team, these monthly articles educate BBHers on the four aspects, or dimensions, of leadership at BBH (self leadership, people leadership, operational leadership, and strategic leadership). Each article examines a single leadership dimension and provides recommendations for further reading, as well as actions employees can take to apply the skill and discuss with their manager, direct reports, or colleagues.

Driving Empowerment through Inclusive Leadership

All assistant vice presidents and higher, as well as BANC leaders and Inclusion Council members, attended a four-hour inclusive leadership workshop designed to generate open and honest dialogue. The program reinforced how vital inclusiveness is to our future success, as is our continued progress toward increasing diversity at all levels—especially the most senior levels. Real life case studies demonstrated how by embracing authenticity over conformity, showing empathy and compassion, and being accepting of a range of communication and work styles, we enable all team members to deliver their personal best. The interactive session provided practical guidance on how to create a safe team environment where all employees can voice their opinions, be heard, and have a true sense of belonging.

Mitigating Bias with Mandatory Competency Based Interview Training

All hiring managers are required to complete Competency-Based Interview Training when participating in the recruitment process. Training educated on the types of unconscious biases that can creep into interview practices as people naturally seek to find commonalities when getting to know one another. By focusing questions on job-relevant behaviors, a competency-based approach mitigates unwanted biases to ensure greater objectivity, accuracy, and consistency when interviewing multiple candidates for a position.

KEY INDICATORS

Indicator	2020 Result	2019 Result
Performance Enablement		
% of employees – performance review (with narrative)	88%	92%
Learning & Development		
% of BBH Scholars applications fully funded	100%	100%
% of employees – voluntary online and classroom learning	86%	46%
Growth Opportunities		
% of employees – achieving career advancement i.e., a new role, career progression, or officer title	20%	20%
% of roles filled internally	37%	21%
Career Transitions		
# of attendees – first-time manager programs	331	107
Employee Input & Engagement		
% of employees – accessed BBH Academy	100%	100%

DIVERSITY, EQUITY, & INCLUSION



Advance diversity and equity at BBH, supported by a strong culture of inclusion, accountability, and employee engagement.



UN Sustainable Development Goal: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Seeking and supporting viewpoints that are informed by different experiences and perspectives ultimately leads to better risk management, innovation, and client outcomes. Exceptional client service is the foundation of our business and at the heart of our culture. Our employees' different backgrounds, life experiences, and ways of thinking help us to better understand each other and our clients. Our commitment to an equitable, inclusive, and collaborative culture, grounded in independent peer review, helps us avoid group think and fosters the highest levels of employee and client satisfaction.

We believe it takes conscious and sustained effort to cultivate a workplace where all employees feel valued, included, and empowered to deliver their best. The norms, power structures, and inequities in society can easily become embedded in any organization. Creating a culture where every individual can contribute their full potential requires investigating systems, processes, and behaviors within an organization to uncover gaps and using that knowledge to ensure an equitable approach.

In 2020, the combination of a global pandemic, social justice movements, and increased acts of hate shone a bright light on the socio-economic differences, accessibility gaps, and challenges in achieving work-life balance within our world. With most of our people working virtually, our business and home lives became truly integrated, highlighting the strong correlation between equity, inclusion, and well-being. Employees were managing a variety of challenges from being ill and caring for sick family members to coping with homeschooling, anxiety, isolation, and racial trauma. To successfully balance this myriad of demands and experiences, individuals became more open and honest, which in turn helped us to better support each other and come together as a team.

These courageous conversations, coupled with the learnings gained from social justice movements across the world and the inequitable impact of COVID-19, prompted a new commitment to double the U.S. representation of Black senior leaders and increase total Black representation in our U.S. offices by more than 50% by 2024. This action is in support of our broader goals of having 35% of our U.S. workforce (16% of senior leaders) be made up of ethnically underrepresented groups and 50% of our global populations (35% of senior leaders) be made up of women. Recognizing there are underrepresented members of our global community who historically have not been visible, we also launched a Self-ID campaign to expand our line of sight into our workforce composition across the globe.

Over the year, we made good progress on our DEI commitments by increasing educational opportunities addressing unconscious bias, inclusive leadership, and allyship; enhancing diversity within our recruiting pools and performance management practices; expanding external partnerships, and increasing paid time off for community service and cultural celebration.

As we look to the future of work, the greater prevalence of remote and distributed workforces will enable us to attract the best talent from across the globe. Our continued commitment to welcome and support the diverse backgrounds, viewpoints, and circumstances of our employees will be critical to our success. Diversity, equity, and inclusion (DEI) is a never-ending journey, that is measured by improved outcomes and the understanding that there is always more to learn and act upon.

Core Programs, Policies, & Practices

By focusing our diversity, equity, and inclusion program on three key pillars—workforce, workplace, and marketplace—we’re building our capacity of top talent, enhancing our inclusive culture, strengthening cultural dexterity, and leveraging the power of fresh thinking.

The Global Inclusion Council (GIC), a group of senior leaders, serves as a body of advice and consent, working with the Office of DEI to set the firm’s DEI agenda and strategy, monitor success, and drive accountability. To ensure firmwide execution of our strategy and greater understanding, BBH Affinity Network Community (BANC) Leaders and Inclusion Councils in each region and line of business help to advise the GIC of specific local issues and to integrate initiatives throughout the firm.

WORKFORCE

Bringing the best and brightest people to BBH is key to our continued success as a firm over the long term. We’re committed to creating a workforce composed of diverse talent by attracting, developing, and retaining individuals through a variety of programs.

Job Descriptions

We take great care to create gender-neutral job descriptions that properly scope roles—focusing beyond any narrow, specialized requirements to also consider broader capabilities, transferable skillsets, and long-term leadership skills that are beneficial for the team.

Diverse Candidate Pools

We strive for a diverse slate of candidates for all our positions and seek out applicants from a variety of sources. Through partnerships with our BBH Affinity Network Communities (BANC), various schools, external partners, and online communities, we work to ensure we have the broadest reach to talent available in the marketplace.

Competency-Based Interview Process

During our interviews, we leverage competency-based questions that focus on assessing a candidate’s ability or experience through actual events. By focusing on job-relevant behaviors, a competency-based approach helps us ensure greater objectivity, accuracy, and consistency when interviewing multiple candidates for a position. To further mitigate unconscious bias, candidates meet with a diverse panel of interviewers.

BBH Connected

To help expand our reach to additional talent markets and diverse candidate pools, our BBH Connected program welcomes employees to the firm in roles that can be performed completely off BBH premises.

Restart@BBH

This ten-week program enables candidates who have been out of the workforce for two years or more to return to a corporate setting through a paid restart assignment. Along with gaining valuable experience and refreshing their skillsets, participants receive training and mentoring to help them transition back to work. BBH Restart assignments often lead to full-time opportunities.

“Bring Yourself to BBH”

We host open house events to highlight BBH’s culture and commitment to diversity, equity and inclusion. Participants learn about our business and financial industry trends, as well as network with department leaders and BANC members from across the firm. The events include keynote speakers and interactive discussions on various topics such as career development, technology, innovation, work-life integration, and leadership.



Raymond Cyr

Vice President, Controllers, and Global Co-Chair,
Pride Network

Being Your Authentic Self at Work

Launched in 2011, the Pride Network was one of the first BBH Affinity Network Communities (BANC). Today, the global network includes more than 300 BBHers who are active members or interested in LGBTQ+ issues. Global Co-Chair Raymond Cyr shared his perspective on how the network has evolved and why Self-ID is an important milestone for diversity, equity, and inclusion.



We've come a long way over the last 10 years in terms of creating an environment where people can feel comfortable sharing more about themselves. In the early days of Pride there was a lot of discussion around the privacy of our members and the transparency of network membership. As we developed more programs and content around Pride, we noticed that just getting people comfortable saying the words “gay” or “lesbian” was an important step in removing some barriers. The Pride Network has since evolved into a Global Network and supports LGBTQ BBHers and our allies.

Pride Network does a lot of work externally with LGBTQ-affiliated organizations, and continues to build relationships and alliances with other businesses. Early on I was blown away by seeing how other Pride networks were transforming their workplaces. We've since brought what we've learned back to BBH, and now we're a resource for Pride networks at other businesses in our communities.

BBH began working on Self-ID in 2020 and it launched in 2021 in the U.S., continuing to Asia and Europe in subsequent phases. It's a voluntary, confidential self-identification survey that collects data related to identity, including ethnicity, gender, sexual orientation, disability status, veteran status, and pronouns. Self-ID is an important step in improving DEI. It boils down to the importance of being counted, especially when you're a member of an invisible minority. It helps employers make decisions about how they can better support their workforce—and it sends a strong message that your employer wants you to be your authentic self at work and that you belong at BBH!

I think the silver lining for 2020 is that we got to know each other more fully as people, and I mean this not just from the Pride perspective but the human perspective. Early in the pandemic I trained a new teammate in Poland and I quickly got to know her kids and how to say “Na zdrowie” when I heard her husband sneeze in the background. Working remote has been very good for my Polish!

“While we can’t ever fully understand the lived experiences of those different from ourselves, we can choose to broaden our perspectives through education and conversations, recognizing that there is always more to learn and actively seeking better ways to support each other in attaining full equity and inclusion in our workplace.”

- Marla Barr
Global Head of DEI and Employee Engagement



BANC Ambassadors

To help us expand our external reach, members of our BANCs are empowered with the tools and resources they need to become extensions of our talent acquisition team. Leveraging their network, they help cultivate top talent by participating in campus career fairs, speaking at external events, and providing cultural information interviews with candidates.

WORKPLACE

We know it takes deliberate actions to create a culture where everyone feels like they belong and that starts with paying more attention to what we all say and do on a daily basis, and ensuring our processes and policies are inclusive.

Code of Professional Conduct and Other Policies

To ensure that we maintain a work environment where everyone is free to express different opinions, all employees must adhere to the Diversity, Equity, and Inclusion Policy and the Code of Professional Conduct, as well as other policies pertaining to bullying, discrimination, harassment, e-communications, and workplace violence. We believe it is our collective responsibility to act fairly,

honestly, and respectfully, and to report any instances of incivility to which we are party to or witness. BBH’s independent reporting system, MySafeWorkPlace, enables all employees to report incidents anonymously. We prohibit any retaliation or threatened retaliatory action for making a good faith report of an apparent or possible violation of the Employee Handbook, Code, or any other BBH policy.

Explicit DEI Performance Management Goals

We count on our leaders and colleagues at all levels through the firm to take a visible role in making our workplace more inclusive. Performance reviews of all employees include a DEI performance goal that clearly indicates actions and behaviors they should demonstrate to foster a culture where all employees can succeed.

Diverse Slates for Promotions and Advancement

Throughout the year, every area of the firm participates in a talent identification process to ensure we have a diverse slate of candidates for promotional and advancement opportunities, as well as identify where we have gaps in order to access development needs. All promotional slates require a diverse slate and are mindful of potential adverse impacts on advancement to greater equitable representation throughout all levels of the firm.

Affinity Networks

Open to all employees, our BANCs provide a forum to develop skills and cultural experiences, network, and support key business initiatives while enhancing our workplace and communities. Employee driven, these networks foster leadership opportunities and organic collaboration across business lines and locations to strengthen the connections between the firm’s internal and external communities. Each network’s remit aligns with company values, business practices, and the priorities of the Office of DEI. The network groups are as follows: Asia Link Network, Black Affinity Network, Diverse Abilities Allies Network, Global Employee Network, Latino Cultural Network, Military Veterans Network, Parenting Network, Pride Network, Women’s Network, Young Professionals Network.

Flex2Work

BBH provides our employees with the flexibility to complete their job duties while promoting balance between work and personal commitments. Through a variety of flexible work arrangements, including remote, flextime, part-time, job sharing, compressed work week, and gradual transition back to work schedules, BBH provides alternative approaches to getting work done through non-traditional work hours, locations, and/or job structures.

Learning and Development

Training is a fundamental part of creating a workplace with the skills and abilities to realize the full benefits of our diverse workforce. We host a variety of trainings designed to prevent harassment and discrimination, understand and recognize unconscious bias, drive equitable outcomes, enhance cultural dexterity, and promote inclusive behaviors.

Annual BANC Leadership Summit

This two-day event brings BANC leaders and Executive Sponsors across our ten networks and 65 chapters together alongside industry experts to share best practices and develop key leadership skills.

Building Bridges Conversation Guides and Self Education Tools

To help us all self-reflect and learn from each other, BBHers can access a variety of online videos, articles, and discussion guides to facilitate conversations around various DEI topics. By educating ourselves, checking in on one another, and speaking up, we are participating in the real work of allyship.

2,631

employees attended
inclusive leadership training

DEI Corner

All employees receive a weekly communication advertising educational materials and events from our external partners and allies to help employees advance our diversity and inclusion goals and expand their knowledge.

Mentoring Circles

Sponsored by our various BANCs, these gatherings bring small groups of BBHers together to talk about a variety of topics—ranging from career advice and personal branding to intersectionality and unconscious bias. These interactive sessions work to break down barriers and build strong relationships across the firm.

Culture Wizard

As a dynamic, global organization, it's important our people understand the nuances of different cultures to ensure they are operating efficiently and respectfully. Culture Wizard is an online tool that provides assessments, videos, quizzes, and recorded webinars to provide practical, engaging, cultural information, and exercises.

Adoption and Surrogacy

BBH provides additional support when having a child through adoption and surrogacy. All full-time and part-time employees are eligible to receive up to \$20,000 of financial support to help cover associated costs for one lifetime event.

Childcare Leave

Whether welcoming new members of their family via childbirth, surrogacy, or adoption, BBH offers ample paid time off for employees (mothers, fathers, and partners) to bond with their child (or children), share the care between parents, and adapt to their new family dynamic.

Back Up Childcare

BBH provides access to back-up childcare centers and in-home care of their child when an employee's regular childcare arrangements are unavailable.



Dewanna Graham

Vice President, Head of Talent Advisors and Global Co-Chair of the Black Affinity Network

Conversations and Change

The majority of BBH employees belong to at least one of 10 BANCs. In addition to providing an outlet for employees to share common experiences and culture, many BANCs help shape BBH policies, programs, and strategy. The Global Co-Chair of the Black Affinity Network (BAN), Dewanna Graham, shared some highlights on how BAN has evolved.



When I joined BBH six years ago, BAN's biggest presence was in Boston and New York, and the main emphasis was on giving Black employees a forum for networking and learning new skills. Professional development is still an important part of what we do, but our focus has become more global and high level. We started a chapter in London and then in Dublin, and now we connect regularly over Zoom. It's been helpful to talk with colleagues across the pond about shared experiences around race and racism, as well as what is different.

This year has been pivotal in helping all of us have a greater appreciation that just because events or injustices happen outside of work doesn't mean employees who are affected by it don't bring those things with them to work.

We talk a lot about what it means to be Black and working in the financial services industry. In 2020, with more attention on racial and social justice, this has been an opportunity to have really constructive conversations, both with each other and our colleagues across the firm.

Like other employee resource groups at BBH, we have seen our role shift from being more social, to being a resource for important issues related to race. It's gone from "let's have a meal and share our culture" to "let's have a meal, share our culture, and talk about critical issues."

MARKETPLACE

We identify and pursue initiatives in the marketplace that demonstrate our commitment to DEI and enable us to share best practices across industries to drive broad changes.

External Partnerships

Our partnerships strengthen relationships with like-minded organizations and individuals to help expand opportunities for all and increase advocacy through education. Our participation enables us to better understand the unique needs of diverse groups, fund critical research, share our experience with other companies, provide philanthropic support to underserved communities, and provide employee development. (For the complete list of DEI partnerships, see Honors and Partnerships on [page 14](#).)

BBHcares

Through our philanthropic partnerships, we work to address systemic barriers to inclusion and drive diversity within financial services. (For more information about our philanthropic initiatives, see Community Engagement on [page 90](#).)

Center for Women & Wealth

BBH's Private Banking CW&W is committed to engaging and supporting women as they create and manage wealth. (For more information about the CW&W, please visit our [website](#).)

LGBTQ-Focused Wealth Planning

BBH Private Wealth Management provides our LGBTQ clients with sophisticated financial and wealth planning services tailored to their particular needs.

2020 Best Place to Work Honors



Disability
Equality Index

Human Rights
Campaign
Corporate
Equality Index

2020 HIGHLIGHTS: A FOCUS ON RACIAL EQUITY

In 2020, we took several action steps to create a trusting environment for complex conversations about diversity, equity, and inclusion, promote anti-racism in our workplace, and further support and grow our Black representation at all levels within the BBH community. These actions ranged from new educational programs to changes in policies and practices. See below for a few highlights:

Education

- **Education on Equity:** The firm sponsored programming on the obstacles Black professionals face and transformative leadership techniques that generate meaningful change, including Coqual’s study “Being Black in Corporate America: An Intersectional Exploration;” equity vs. equality in policy and procedures; the impact of systemic racism in our communities; storytelling programs on the Black experience and allyship; and self-discovery resources and leadership discussion guides on race, diminishing behaviors, and microaggressions.
- **Inclusive Leadership Training for all AVPs and Above, BANC leaders, and Inclusion Council members:** This four-hour workshop program reinforced how vital inclusiveness is to our future success, as is our continued progress toward increasing diversity at all levels—especially the most senior levels. Real life case studies demonstrated how by embracing authenticity over conformity, showing empathy and compassion, and being accepting of a range of communication and work styles, we enable all team members to deliver their personal best. The interactive session provided practical guidance on how to create a safe team environment where all employees can voice their opinions, be heard, and have a true sense of belonging. This training is now a part of our regular onboarding program.
- **Mandatory Competency-Based Interview Training:** All hiring managers and interview panel members are required to complete Competency-Based Interview training when participating in the recruitment process. Training educated on the types of unconscious biases that can creep into interview practices as

people naturally seek to find commonalities when getting to know one another. By focusing questions on job-relevant behaviors, a competency-based approach mitigates unwanted biases to ensure greater objectivity, accuracy, and consistency when interviewing multiple candidates for a position.

Policies and Practices

- **Identifying and Mitigating Bias in Everything We Do:** Human Resources re-examined our policies and practices from a lens of conscious inclusion to ensure none contained embedded bias and each was designed to increase diversity and foster inclusion in our workplace.
- **Increased Time Off for Cultural Celebrations and Community Service:** We recognize that employees may wish to observe cultural holidays beyond those recognized by local governments and serve their communities outside our BBHcares program. As a result, BBH implemented two additional days off for all employees. Launched mid-year, nearly 3,500 employees have utilized this opportunity to celebrate with friends and family and almost 3,000 employees have spent an additional day supporting philanthropic or social justice causes they care most about.
- **Enhanced Self-ID Program:** Investments in the program expanded our voluntary Self-ID program to include gender identity, sexual orientation, and pronouns; offer more meaningful ways to share ethnicity, disability status, and veteran status; and enable changes to be made at any time. The program launched in the U.S., with offices in Europe and Asia scheduled in subsequent phases. By providing more opportunities to share aspects of our identities, we aim to reinforce the value we place on diverse lived experiences, recognize historically invisible minority populations, track our DEI progress against our goals, and better equip BBH to identify and address the needs of all our people and communities.
- **Clear Representation Goals for Black Colleagues:** Over the past five years our overall ethnicity and gender representation continues to increase; but the data also highlights areas where we need strengthen our focus. In looking at our five-year strategy, we

saw a clear opportunity to improve representation of underrepresented groups across all levels and roles at BBH, especially in our Black community, and have set clear hiring and retention goals to increase representation at all levels. (see call out below)

- **New Supplier Diversity Code of Conduct:** This principles-based agreement for new supplier contracts and renewals covers standards for ethics, human rights, environmental practices, security, and business continuity in the workplace.

External Partnerships

- **Initial Partner to United Way NYC Campaign for Equity Fund:** Launched in response to the devastating impact the COVID-19 pandemic has had on New York City’s communities of color, the fund focuses on hunger, wellness, closing the educational

gap, income and economic mobility, and criminal justice reform.

- **New External Partnerships:** To better support our Black and Latinx employees and increase the diversity of our candidate pools, BBH engaged in a new strategic relationships with Management Leadership for Tomorrow (MLT).
- **Partnership for NYC:** Recognizing the power of the collective, BBH joined over 150 other New York CEOs in becoming a signatory to an “Open Letter From Leaders” sponsored by the Partnership for New York City, publicly highlighting BBH’s ongoing commitment to diversity and inclusion and our broader Sustainable BBH efforts in support of our communities, both internal and external.

Our 5 Year Representation Goals (By 2024)

United States Ethnicity Goals for Underrepresented Groups

35%

total workforce



16%

senior leadership



In achieving this commitment, we aim to double the representation of Black senior leaders and increase total Black representation by more than 50%

Global Gender Goals for Female Representation

50%

total workforce



35%

senior leadership

KEY INDICATORS

Indicator	2020 Result	2019 Result
Hiring		
% of new hires: Female	51.5%	46.9%
% of new hires: People of Color (U.S.)	40.6%	39%
Employee Composition by Gender		
% of employees: Female (all levels)	46.3%	45.5%
% of employees: Female (entry level)	51.7%	50.5%
% of employees: Female (mid-level)	47.4%	39.4%
% of employees: Female (senior level)	30.3%	29.7%
By Race (U.S.)		
% of employees: People of Color (all levels)	32.5%	31%
% of employees: People of Color (entry level)	38.7%	35.6%
% of employees: People of Color (mid-level)	29.3%	28%
% of employees: People of Color (senior level)	14.5%	14.7%
By Age		
% of employees: Under 30 years old	25.1%	26.8%
% of employees: 30-50 years old	58.4%	58.1%
% of employees: Over 50 years old	16.5%	15.1%
Retention by Gender		
Retention rate: Male employees	89%	88%
Retention rate: Female employees	89.6%	88%
Retention by Ethnicity (U.S.)		
Retention rate: White	91.4%	90.5%
Retention rate: People of Color	93.3%	89.7%
Community Building		
Size of BBH Affinity Network Communities (BANC)	10 Networks; 65 Chapters	10 Networks; 64 Chapters
# of registrations for large scale BANC events	9,000	8,200
Training		
# of senior and BANC leaders participating in Inclusive Leadership Training	2,163	150
% of compliance: Sexual harassment training	100%	100%

EMPLOYEE WELL-BEING



Support our employees' financial, physical, and personal well-being through robust educational program and resources that provide tangible benefits



UN Sustainable Development Goal: Ensure healthy lives and promote well-being for all at all ages

We believe the best companies know that the well-being of their businesses cannot be separated from the well-being of their employees. Our global well-being program, Thrive, provides education, support, and rewards that help employees to make positive lifestyle choices and better long-term decisions—physically, financially, and personally. Of course, well-being can mean different things to different people, at different stages in their lives. It encompasses tangible benefits—from overall compensation, to healthcare and retirement programs—as well as more personal elements, such as those focused on culture, leadership, and belonging.

The concept of well-being is also constantly evolving to reflect changes in employee needs, workplace dynamics, and society. 2020 was a defining year, as we helped more than 6,000 employees navigate an unprecedented time in history that severely impacted physical, personal, and financial well-being. In addition to maintaining and enhancing our core programs, we implemented creative solutions that responded to the increasingly complex needs of our employees and their families.

Some of our highest-priority areas included: mental health, household support, physical engagement, race-based traumatic stress, and educational initiatives that fostered empathy and compassion. Each approach deployed required an inclusive lens to ensure our solutions met the diverse needs of our workforce. We also provided managers with tools needed to recognize signs of distress within their teams, empowering them to direct employees to professional resources.

This section addresses the firm's direct efforts on employee well-being. For more information about how BBH addresses similar concerns in our supply chain, please read Supplier Code of Conduct ([page 96](#)).

“ In 2020, mental health and safety was our number one priority when it came to our people.

*- Sandi Stein
Senior Vice President, Human Resource Benefits*



Removing Barriers to Improving Mental Health

Mental health needs took center stage as the disruption, uncertainty, and tragedy brought by the pandemic and social justice movements resulted in many people struggling with managing their personal well-being for the first time or with greater intensity. But it also helped destigmatize mental health, and create an environment where people were more comfortable talking about their emotional, psychological, and social well-being, and seeking the care they needed.

In early 2020, BBH engaged with new employer-sponsored benefits—connecting employees and their families to mental and emotional health care that is convenient, personalized, culturally sensitive, and confidential. The platform combines technology, proven therapeutic methods, and a diverse network of therapists and coaches to remove barriers to high-quality care. The services match employees to the right solutions for their needs. This includes coaching, self-guided online programs, and counseling for what are often short-term behavioral issues, such as stress, anxiety, depression, or sleep disorders.

Taking Care of People While Working from Home

The COVID-19 pandemic impacted all our employees, whether directly or indirectly, in a myriad of ways. The most prevalent change, of course, was that most of our workforce shifted to a work-from-home



25 GLOBAL WEBINARS

sponsored by BBH in response to COVID-19, its impact, and other related well-being topics.

environment. Employees had to adjust to a wide range of circumstances, whether being the isolation of living and working at home alone, or challenges of supporting other family members, such as young children, who were also at home.

BBH looked at these circumstances from many different angles, to implement new policies and programs that promote employee well-being while working from home. Some highlights include:

- Expanded paid childcare leave
- Flexible hours wherever possible
- COVID-19 library with region-specific resources
- Enhanced Thrive well-being and self-care incentive program
- CARES Act provisions, such as flexibility for 401(k) loans and early withdrawals
- Additional time off for community service and cultural celebration

BBH BENEFITS INVENTORY

Thrive Financially	Thrive Personally	Thrive Physically
<ul style="list-style-type: none"> • Competitive Compensation • Profit Sharing • Tuition Reimbursement • Emergency Fund Assistance • Retirement Savings Programs • Life Insurance • Disability Insurance • Fitness Center Discounts • Financial Coaching 	<ul style="list-style-type: none"> • Employee Assistance Program (BBH Assist) • Social Activities & Clubs • Relaxation & Stress Management Workshops • Flexible Work Arrangements • Adoption/Surrogacy Support • Lactation/Family Rooms • Back-Up Child Care • Yoga Classes • Time Off for Community Service and Cultural Celebrations 	<ul style="list-style-type: none"> • Medical, Dental, and Vision Coverage • Flu Shots • Health Screenings • Nutrition Counseling • Ergonomics Program • Healthy Dining Options • Firmwide Fitness Challenges

Looking at Well-being from Every Angle

Through our global well-being program, Thrive, we strive to support and inspire our employees to make positive lifestyle choices, behavior changes and long-term decisions about their physical, personal, and financial lives. As a global organization, we also recognize that key benefits, programs and support may vary by region. We strive to make sure all of our employees have access to what they need, and work closely with our colleagues around the world to design and improve well-being programs with this in mind.

CORE PROGRAMS, POLICIES, & PRACTICES

The lines between well-being, thoughtful leadership, and inclusion are often blurred. For most employees, these areas are not mutually exclusive. Although it's difficult to quantify employee well-being, we have long understood that employees who feel physically, emotionally, and financially healthy tend to be more engaged and productive in their work. This outcome often has a multiplier effect: it reflects positively on their interactions with colleagues and clients, as well as in their homes and in their communities.

THRIVE FINANCIALLY

Compensation Philosophy and Practice

BBH structures our compensation programs to be market competitive through a total compensation philosophy—salary (base pay or fixed pay) and discretionary bonus (variable incentives). The firm distributes rewards to employees based on their line of business, and/or product, and individual performance—linking an employee's pay to the combination of these factors. In addition to fair pay and performance bonuses, our competitive compensation framework includes profit-sharing awards and retirement plans, as well as subsidized life and disability insurance coverage.

We believe in the principle of equal pay for comparable work, not only because it's the law, but also because it is a core value of our firm and a key principle of our compensation philosophy. Through rigorous governance, we strive to execute our compensation programs fairly and consistently across the firm. Each year, we assess pay competitiveness relative to the market through various external sources. BBH regularly trains managers on the firm's compensation philosophy to ensure they are well informed about how to set pay, reward for performance, and pay fairly for comparable work.

Financial Coaching

Throughout the year, we offered financial coaching services to assist employees in managing their financial resources prudently. Financial coaching focuses on debt management, retirement planning, credit monitoring, educational expense planning, and general budgeting skills, among other topics.

The Undergraduate Fund

BBH's Undergraduate Fund was launched more than 50 years ago through a gift made by our Partners to help offset the cost of attending a four-year college for employees' children. Based on academic performance and financial need, scholarships are determined by an independent consultant and are awarded annually.

BBH Scholars Program

BBH supports employees in pursuing degree or certificate programs while working, which enables them to apply what they learn directly on-the-job in real-time. Tuition reimbursement requests for new and existing Graduate Degree Program Scholars are reviewed once a year, and all other undergraduate or certificate requests are evaluated on an ongoing basis during the year.

The BBH Employee Relief Fund

A 501(c)(3) non-profit organization funded by contributions from BBH Partners and employees, the BBH Employee Relief Fund helps eligible employees and their immediate family members to defray some of the costs and basic living expenses associated with a catastrophic event or unforeseen emergency.

THRIVE PERSONALLY

Employee Assistance Program/BBH Assist

Mental health is essential to well-being. BBH supports employees in developing and maintaining the healthy habits needed to manage stress, anxiety, depression, and other issues. Based on local markets, BBH offers an Employee Assistance Program, up to 16 coaching and counseling sessions, as well as in-office events such as yoga and relaxation workshops.

Flex2Work

BBH provides our employees with the flexibility to complete their job duties while promoting balance between work and personal commitments.

Adoption and Surrogacy Assistance

BBH sponsors adoption and surrogacy assistance which provides financial support to help make adopting a child or having a child through surrogacy a reality for all.

THRIVE PHYSICALLY

Comprehensive Healthcare

Our most important asset is our people, and their physical health contributes to their ability to succeed. BBH offers discounted rates at local health clubs, robust healthcare coverage, as well as education about exercise, nutrition, preventative care, and healthy lifestyle habits.

Online Well-Being Platform

The Virgin Pulse online platform provides strategies and tools to create a data-driven, personalized experience suggesting activities to improve nutrition, sleep, stress levels, focus, cognition, financial health, and personal relationships.

“Our greatest strength is the care and concern we have for each other.

- Seán Páircéir, Partner



20 BBH EMPLOYEES

volunteered to be a #LetsTalk Champion



1818 Social Club

Throughout our offices, the firm offers activities that are both social and competitive in nature, bringing together colleagues from all over the firm in an informal, fun atmosphere that promotes being active. From walking and running groups, to basketball and tennis leagues, these employee-led clubs, funded both by BBH and individual participants, allow employees to explore a range of physical fitness activities.

2020 FOCUS & HIGHLIGHTS

Notice and Respond Training

Each year, one in five people will suffer from a mental health issue, such as depression or anxiety. This can have a profound effect on their work and life, and yet it's rare for people to talk openly in the workplace about these matters. Managers have a unique line of sight to the daily behaviors of our employees—many which can be a sign of mental health struggles. Often managers may suspect that an employee is having a hard time, but not know exactly what to do. Our Notice and Respond workshop, educated managers on how to recognize signs of distress in others and suggest strategies for offering professional help and resources. More than 200 managers volunteered to participate in a pilot of the program, which is now part of our manager toolkit.

Nurturing Resilience in Uncertain Times

BBH hosted a four-part series to help employees learn to adapt, survive, and even thrive in the face of adversity, trauma, or other significant sources of stress. By focusing on four core components—building connections, well-being, healthy mindset, and purpose, the sessions aimed to empower individuals to withstand and learn from difficult and traumatic experiences.

82% of BBH members in mental health programs showed clinical improvements

#LetsTalk

BBH kicked off a new initiative called #LetsTalk to pave the way for more conversations about mental health, as well as get the word out about educational events and workshops related to a wide range of topics. The launch of the initiative included a panel discussion with employees sharing their personal stories and three presentations from mental health professionals.

Expanded Paid Childcare Leave

Whether welcoming new members of their family via childbirth, surrogacy, or adoption, BBH enhanced policies to provide enhanced paid time off for employees to bond with their child (children) and adapt to their new family dynamic.

Walk as One Group Challenge

In May, more than 1,100 BBHers accepted the challenge to “Step It Up” in a collective journey around the world — virtually visiting BBH offices and learning fun facts about each location along the way. The 246 teams who participated logged a total of 165,542 miles — the equivalent of walking around the earth almost seven times! The ultimate goals of the fitness challenge, aside from some healthy competition, were to inspire BBHers to stay active and prove first-hand the impact physical exercise can have on our overall well-being.

Thrive Milestone Celebrations

At numerous locations around the world, BBH hosted wellness-themed weeks to celebrate the five-year anniversary of our program that were attended by nearly 500 BBHers. Virtual events featured activities from yoga classes and guided meditation to ergonomics education and chair massages.

The HERO Scorecard

To continually strengthen and monitor our program, BBH uses the HERO Scorecard—a non-profit index dedicated to identifying and sharing best practices in workplace health and well-being. Developed in consultation with Mercer and other leading authorities, the scorecard helps organizations across industries benchmark their program and measure progress over time.

In 2020, our U.S. score outpaced averages in a majority of categories and we implemented the scorecard for our Europe locations for the first time to ensure our health and well-being initiatives align with expert-recommended best practices.

United States	BBH Score	National Average	Max # of points
Section 1: Strategic Planning	34	29	50
Section 2: Organizational & Cultural Support	54	25	60
Section 3: Programs	18	11	20
Section 4: Program Integration	15	7	20
Section 5: Participation Strategies	29	15	30
Section 6: Measurement & Evaluation	10	10	20
Total Score	160	97	200

Europe	BBH Score	Max # of points
Section 1: Strategic Planning	12	20
Section 2: Organizational & Cultural Support	44	50
Section 3: Programs	21	40
Section 4: Program Integration	1	16
Section 5: Participation Strategies	33	50
Section 6: Measurement & Evaluation	13	24
Total Score	124	200

KEY INDICATORS

Indicator	2020 Result	2019 Result
Wellness Engagement		
# wellness events – global total	75	90
% employee participation in online well-being platform	51.4%	56%
Employee Support		
The Undergraduate Fund – year of report	24 undergraduate scholarships (\$71,250)	20 undergraduate scholarships (\$70,800)
BBH Employee Relief Fund – year of report	12 grants (\$112,737)	11 grants (\$150,925)
BBH Employee Relief Fund – since inception (2012)	92 grants (\$641,328)	79 grants (\$523,600)



“The courage of our colleagues, the willingness of each of us to bring our personal lives to work, and the ongoing commitment of the firm have gone a long way to reduce the stigma of mental health challenges. We are on a journey, and I am immensely proud of the firm’s investments in mental health and of our colleagues who especially this year have brought our true selves to the family that is BBH.”

– *Hugh Bolton*
Managing Director, Investor Services





OUR COMMUNITIES



ENVIRONMENTAL RESPONSIBILITY



Support environmental sustainability by reducing the carbon impact of our facilities and operations



UN Sustainable Development Goal: Ensure sustainable consumption and production patterns

This section addresses the firm's direct environmental impact. For more information about how BBH addresses our secondary impact through our suppliers' work and our clients' ESG investing activities, please read Supplier Code of Conduct ([page 96](#)), ESG Integration ([page 30](#)), and Sustainable Investing ([page 36](#)).

As a financial services company, our greatest impact on the environment is the operation of office space in our 17 global locations. In 2020, with most of our employees working remotely, our initial focus was on rethinking our systems and programs to minimize the energy use in those facilities. We also began working with a third-party consultant to more accurately measure our greenhouse gas emissions and take steps to set firmwide reduction goals.

While 2020 was an outlier, it provided us with an opportunity to make energy-efficient upgrades that provide immediate benefits. This included updating most of our lighting in our Boston offices with LED technology (to be completed in mid-2021), upgrading our grey water system in Luxembourg, and taking steps to reduce our use of single-use plastic and paper across the firm.

More importantly, the last year has been a catalyst for reimagining the workplace. The pandemic has been incredibly disruptive for our employees, but that disruption has given way to some positive changes that we are looking to carry forward. This includes using electronic signatures and digital communication, reducing paper, using collaboration technology, and updating our policies and expectations around business travel.

We're also in the early stages of gradually reducing our physical footprint, which remains at 1.4 million square feet through 2021, by redesigning office spaces to improve employee engagement, whether employees are working in the office or remotely. For example, we're looking at adding individual video conferencing areas ("Zoom rooms") and reducing the number of assigned workstations and converting other spaces to multiuse touchdown and collaborative areas, increasing the utilization of discrete work areas.

As we write this report, there are still many unknowns about when employees will return to the office, and in what capacity. What we can say, however, is that going forward we are designing our facilities to be more efficient, collaborative, and inclusive.

“What the last year has shown us is that you don't need to have as much office infrastructure in place to have productive meetings when some people are participating virtually.”

**- Michael Dow
Senior Vice President, Enterprise Services Management**



Core Programs, Policies, & Practices

BBH looks at the sustainability of our facilities from many different angles, from top-down decisions on office location and design, to programs focused on education and individual behavior, including good habits and practices, both in and out of the office.

Central Facilities Management

By operating as a global department, Enterprise Services maintains a clear line of sight to—with a mission to optimize—our operation’s collective impact. By sharing ideas and improvements across our facilities footprint, all BBH sites adopt newer, efficient practices more quickly.

Long-Term Tenancy

BBH builds our offices for long-term tenancy, using practical architectural standards that can flex to ever-changing business needs without having to tear down and rebuild. We make upfront investments in high quality or refurbished materials, technology, and equipment that last longer with less impact than typical fit outs.

LEED and BREEAM Certification

When updating or building new office space we follow the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) and the Building Research Establishment Environmental Assessment Method (BREEAM)[®] standards—and associated consultants, engineers, and designers—as guides to make thoughtful decisions during design and construction. Our facilities managers also maintain an open dialogue of collaboration with our landlords on environmental topics to advocate for renewable energy, more efficient base building systems, environmentally friendly cleaning practices and products, transparency in the removal of waste and recycling, and building wide support on education campaigns.

Renewable Energy Offices

Our Boston and Krakow offices join New York, Luxembourg, and Dublin as BBH sites using renewable energy sources and/ or renewable energy credits to offset the usage.

Control Systems

We fit our largest sites with building management and lighting control systems that allow for seasonal and sensor-based fine adjustments throughout the days, weeks, and years, e.g., keeping the lights on or temperatures up only when space is in use.

Variable Frequency Drives

At our newer sites we installed Variable Frequency Drives (VFD) as part of our heating, ventilation, and air conditioning (HVAC) system. With VFDs, HVAC can be adjusted more finely and run according to actual demand, rather than constantly running indiscriminately.

Consumption Reduction Programs

We track and set reduction goals centrally for energy, waste, plastic, paper, water, and carbon emissions, hitting those marks by continually upgrading equipment and engaging employees to support those effort.

Recycling and Shredding Program

Working with our landlords and local communities, we maintain guidelines for our business units and employees to follow. Protecting our client’s data is paramount to our business; we shred all paper containing such information prior to sending it to a recycling facility.

Commercial Composting

Although composting for commercial buildings remains rare in U.S. offices, our Boston and New Jersey offices participate in local programs. In New York City, where commercial composting proved more difficult, we work with our buildings and haulers to divert our organic waste to anaerobic digestion. As composting becomes available in an office’s location, we actively pursue setting up our internal program.

Sustainable Gift and Giveaways Program

Guidelines help BBHers choose eco-friendly corporate gifts and giveaways, promoting experiences or charitable donations in lieu of physical gifts, products with a charitable component or sustainability off-set, items sourced from local businesses, and gifts made from sustainable or a minimum of 30%-recycled materials.

Luxembourg:

The Benefits of Grey Water Are Crystal Clear

The most energy-efficient buildings embrace the elements. BBH's Luxembourg office, which supports more than 400 BBH employees, is a case study in how modern buildings can harness the power of the elements to reduce water and energy use in myriad ways.

In 2015, when BBH moved into the newly constructed building, it was already equipped with many energy-efficient features outlined by the BREEAM®. Radiant heating and cooling in the ceiling keep temperatures constant, and with minimal energy use. The building's design maximizes natural light and passive solar heat, and uses sensors to automatically adjust interior lights, and raise or lower external shades. A green roof uses vegetation to reduce temperatures on the roof surface and surrounding air—and collects rainwater that is repurposed as grey water in the building's restrooms.

In 2020, our Luxembourg facilities team set out to make the building even more efficient. Among other improvements, they expanded the building's grey water capacity by linking a sprinkling system used for the HVAC cooling tower, capturing the run-off. The system now has the capacity to provide most of the 40,000 liters of water used in the building's restrooms.

The BBH team also removed an additive from the grey water system that was used to mask the soil and other organic particles in water. "The additive made the water prettier, but removing it required additional treatment, which defeats some of the purpose," said Sergio Brandao, Assistant Vice President—Enterprise Services, Head of European Engineering. True to its name, the toilet water is now grey, and far more environmentally friendly. "It's a little like the ugly fruit in the supermarket," he added. "You get used to it."



“The whole building is designed around energy efficiency.”

*- Sergio Brandao
Assistant Vice President,
Enterprise Services
Luxembourg*



New York: Putting ‘Reduce’ and ‘Reuse’ Front and Center

Even before the pandemic, the workplace was changing. Laptops allow for more flexible workspaces, while cloud-based data and technology require far less space than on-premises systems. Now, with remote work likely to continue in some capacity, we are actively looking to downsize our footprint—starting with New York.

When BBH moved into our New York offices in 2003, we needed nearly 400,000 ft² to accommodate roughly 1,000 employees, along with data servers and technology infrastructure. In 2019, we began looking for new office space in anticipation of our current lease expiring.

After considering all of our options, we decided to stay at our current location, a Gold LEED certified building in the heart of the Financial District, but to reduce our footprint by almost half and redesign the space to allow for more collaboration and inclusion. “We’re still in the early stages of design, but the goal is to design the building so we can accommodate what will likely be a more hybrid way of working,” said Brendan McCarthy, Vice President – Enterprise Services, Real Estate.

The team also hopes to minimize the environmental impact of the remodel by sourcing sustainable materials locally when possible and repurpose existing furniture and material. Case in point: workstations. Rather than sending the existing stations to a landfill, the team is working with designers to resize, update, and refinish them. “We’re planning to turn our currently unoccupied space into a furniture shop, where we can re-imagine between 500 and 600 of these workstations,” said McCarthy. “This is just one of the creative ways we hope to improve the space for our employees and minimize our impact in the process.”

Environmental Sustainability Champions

A key means of spreading our environmental message and influencing change, our employee network provides grassroots support to identify and promote environmental improvements— helping their fellow employees make key changes more easily and effectively than a top-down mandate could alone. In recent years, their efforts helped set new cultural norms for communal trashcans, reusable coffee mugs and water bottles, paperless meetings, elimination of plastic bottles in our vending machines, and more.

Plastic Use Reduction in our Cafes

For our BBH-operated cafes and catering we’ve moved away from plastic and styrofoam containers and utensils to compostable option. We have changed all beverage packaging to non-plastic options in our cafes and vending machines.

Travel Impact Reductions

Travel comes second only to facilities management when considering BBH’s direct impact on the environment. Routine budget scrutiny and key investments in meeting technology, including video conferencing, keep unnecessary travel to a minimum, but in-person meetings will remain a cornerstone to serving our clients, as well as leading our cross-region teams. The firm encourages each employee to plan travel efficiently and seek alternative modes of transportation by reporting—at the time of booking—the specific carbon output related to their travel.

Employee Education and Awareness

In cooperation with Thrive, BBH’s employee wellness program, Enterprise Services regularly conducts engagement programs, such as the quarterly Go Green! theme and monthly challenges, to remind employees of their contribution to our environmental responsibilities. (As with other Sustainable BBH campaigns, the recently upgraded employee portal puts information about the firm’s environmental sustainability within easy reach.) An employee managed SharePoint site actively publishes articles and newsletters, provides updates on projects, and keeps colleagues informed on local and global initiatives, as well as current topics in environmental sustainability.

2020 FOCUS & HIGHLIGHTS

CONTINUING TO OPTIMIZE SYSTEMS AND SCHEDULES

LED Retrofit

Our Boston office completed a major phase of the conversion project and will complete the LED project with the accent lighting fixture in mid-2021.

Paper Reduction

Because of the shift to 97% remote work, paper use in BBH offices in 2020 was negligible. To facilitate remote work, we replaced many workflows requiring hardcopy signatures and files with e-signatures and printing standards. We will carry these standards forward beyond the pandemic, and in order to incentivize continued low paper use, we have drastically reduced the number of printers in each of our office. We are also moving to 100% recycled paper in 2021.

Central Waste and Recycling Stations

Borrowing from best practices in many European locations, we continued installing centralized waste, recycling, and composting stations, to support the

elimination of approximately 500,000 plastic trash can liners. A final push will be completed in 2021 to make this a global standard.

Sustainably Sourced Food

We are committed to reducing climate impact resulting from our food services, working with our vendors to make thoughtful decisions on sourcing ethically and fairly, reducing waste, supporting farmers markets, and using local, seasonal food in our onsite cafeterias. For example, we source cage-free eggs, sustainable seafood, fair trade coffee, and yogurt and milk free from artificial growth hormones for our full service cafes. We also donate food which is not used in catering by partnering with local food recovery programs.

Luxembourg: Grey Water System

Our Luxembourg office expanded the building's grey water capacity by linking a sprinkling system used for rooftop HVAC equipment. The system now has the capacity to produce most of the water needed to service the building's toilets.

KEY INDICATORS

Indicator	2020 Result	2019 Result
Firmwide Facilities Management – Industry Certification		
LEED	Boston (Silver - 2013)	Boston (Silver - 2013)
	Dublin (Gold - 2014)	Dublin (Gold - 2014)
BREEAM	Krakow (2014)	Krakow (2014)
Resource Consumption		
kWh use – total across sites with > 100 employees	11,458,439 kWh (↓25%)	214,998,397 kWh (↓6%)
kWh use – per ft ²	8.8 kWh (↓24%)	11.6 kWh (↓6%)

Indicator	2020 Result	2019 Result
% of total kWh consumption generated by renewable sources or offsets	83%	48%
Paper Consumption	4,005,726 sheets (↓76%)	16,500,000 sheets (↓18.5%)
Travel		
CO2 attributed to BBH travel – air (total)	579 Tonnes (↓89%)	5,049 Tonnes (↑22%)
CO2 attributed to BBH travel – air (per FTE)	0.096 Tonne (↓89%)	0.9 Tonne (↑26%)
Education		
# of Share Point Articles Published	11	N/A: New for 2020 Report

Location	2020 Results				2019 Results			
	Energy Usage/ BBHer (kWh)	Trash Produced/ BBHer (lbs.)	Paper Used/ BBHer (sheets)	Recycled Material/ BBHer (lbs.)	Energy Usage/ BBHer (kWh)	Trash Produced/ BBHer (lbs.)	Paper Used/ BBHer (sheets)	Recycled Material/ BBHer (lbs.)
Boston	1,291	46	860	6	1,695	244	3,527	31
New York	4,495	n/a*	1,045	n/a*	5,986	125	5,490	142
Jersey City	2,590	n/a*	400	n/a*	3,185	n/a*	3,091	n/a*
Dublin	1,069	n/a*	600	n/a*	1,628	n/a*	3,705	n/a*
London	5,326	n/a*	30	n/a*	5,235	n/a*	4,583	53
Luxembourg	2,396	26	350	24	2,975	345	3,141	35
Krakow	972	110	490	35	1,753	332	4,610	295
Zurick	2,151	n/a*	104	n/a*	2,300	n/a*	3,181	n/a*
Hong Kong	1,252	9	145	2	1,757	n/a*	2,978	14
Tokyo	2,485	37	2,485	82	3,434	n/a*	4,790	n/a*
BBH Average	2,061	69	700	22	3,000	2,745	3,900	95

*Not Available (n/a): As of 12/31/20, accurate, reliable data is not available for these sites. BBH is working to develop these measures for a future report.

COMMUNITY ENGAGEMENT



Increase the reach of our community engagement program, BBHcares.



UN Sustainable Development Goal: Ensure healthy lives and promote well-being for all at all ages

Throughout our more than 200-year history, BBH has actively engaged with the communities where we do business by sharing our talent, time, and financial resources with those in need. It's not only the right thing to do; it ultimately provides more equitable access to education and workplaces, broadens our perspective, and improves the quality of life in the cities and neighborhoods where we live and work.

In 1994, BBH formalized our longstanding tradition of community engagement into our BBHcares philanthropic program, with a defined mission: Support partner nonprofits that provide basic needs and education to low-income individuals and families in need. These philanthropic focus areas promote financial stability and aim to foster long-term success. Our ongoing community engagement is informed by the needs of individual communities and organizations, and one important question: How can we help? Armed with that knowledge, BBHers bring critical and strategic perspectives to every visit with our non-profit partners. Volunteers often return from an event or community service day full of suggestions for projects that will enhance the work of an agency or help a charity operate more efficiently. It is these ideas that build the strongest and most meaningful relationships with our community partners.

In 2020, community engagement looked different than it has in the past, but our commitment to working with local, national, and global nonprofits did not waver. While maintaining annual support of long-standing partner agencies, BBH increased financial support to organizations specifically established to solve new challenges brought by the pandemic or organizations whose resources were significantly impacted by the environment. In addition to donating to specific COVID-19 funds, we extended contributions to local food banks and meal programs, hospitals, research labs, and organizations offering support services to individuals and families burdened by stay-at-home mandates.

Although physical volunteer opportunities were limited, our employees were not deterred. Working in conjunction with our nonprofit partners, we re-imagined and re-engineered many of our engagement opportunities. BBHers used virtual channels to emphasize skills-based volunteerism by building websites, teaching financial literacy, reviewing résumés, and tutoring and mentoring children and young adults in underserved communities. With travel and specific time commitment barriers removed, employees were able to have more flexible opportunities to donate their time and work together across various geographies. While BBHers have missed the camaraderie and connections that come through in-person volunteering, community outreach in 2020 inspired new ideas and opportunities that we hope to continue in the future. In many cases, we were able to reach more individuals and new groups than we have in the past, and in more meaningful ways.

PHILANTHROPIC FOCUS AREAS

Our philanthropic focus areas promote stability and aim to foster long term success by helping enable individuals and families to take control of their finances, gain independence, and achieve economic sustainability.

Partnering with Organizations That Share Our Values

BBH rigorously evaluates all partnerships with charitable organizations by the following criteria:

- The mission supports providing basic needs and education
- The organization is a qualified non-profit that does not limit support to its own members
- The organization's values and actions around diversity and inclusion align with our own
- The organization can benefit from engagement opportunities with our employees

“Our approach to volunteering has always been to ask the organizations what they need and how we can best use our talent to help them in ways that might have a bigger impact than traditional volunteer hours. This philosophy was critical to enabling us to offer meaningful assistance during the pandemic.”



*- Page deGregorio
Vice President, Community
Relations Administration*

Basic Needs

By helping individuals and families obtain basic needs (food, clothing, and shelter) and assisting them in taking control of their finances, our partner organizations supported low-income individuals and families by:

- Preventing hunger
- Building homes and supporting long-term housing
- Providing temporary housing and shelter
- Making productive use of gently used clothes and household goods
- Promoting financial independence through workforce training and improved understanding of local community programs

Education

Education is the cornerstone of overall success and a community's long-term economic prosperity. Our partner organizations support low-income individuals and families by:

- Ensuring young children receive essential school readiness, basic educational competency, educational enrichment opportunities, and support that can lead to improved literacy rates
- Helping older youth on their path to economic independence through programs that support successful completion of secondary school levels, job readiness, college preparedness, and financial literacy training
- Providing programs that assist adults in attaining degrees, financial literacy, technical skills, occupational certification, and meaningful employment

CORE PROGRAMS, POLICIES, & PRACTICES

BBHcares marshals our employees' time and talents to provide practical, visible support to a growing number of charities around the globe and the people they serve.

BBHcares Champions

Employee leaders spearhead many of our volunteer projects and giving campaigns, infusing their passion for the cause into each initiative. In addition to the satisfaction that comes from helping others, BBHcares activities build personal and professional skills like leadership, strategic planning, communication, project management, time management, and networking. Employees often identify new needs at partner agencies, for example website development or new educational curriculum development, and galvanize BBH teams to design and execute a solution.

Unlimited Employee Volunteer Hours

All employees are eligible to receive paid time-off to volunteer during work hours, subject to their manager's discretion.

Loaned Executive Program

For more than 20 years, BBH has participated in the United Way's U.S.-based loaned executive program, through which top companies lend some of their best and brightest talent for 15-week engagements.

Central Events Calendar and Communications

We advertise all activities on a central corporate calendar, receiving equal billing at town halls and high-profile meetings, as well as emailed office wide. Volunteer events are scheduled at a variety of times to create the most opportunities for employees to participate and accommodate a variety of schedules. The firm celebrates volunteer impact monthly, through the internal newsletter and with top billing on the home page of the intranet.

BBH Community Giving Campaigns

Employee fundraising happens across our European and Asia offices at various times throughout the year, with a variety of efforts aimed to provide financial support to

our charitable partners. In the U.S., voluntary employee contribution campaigns, powered by the United Way, occur each fall, complementing the many volunteer projects.

The 1818 Employee Giving Circle

The 1818 Employee Giving Circle is a centralized place to share personal charitable interests, beyond the BBHcares program, with other BBHers. Whether employees are looking for donations, volunteers, or other support, the Giving Circle is the place to communicate their service interests so others can learn how they can support each other's community involvement outside of work.

Board Service and Grant Reviews

BBHcares partners with United Way to provide U.S.-based employees with the opportunity to gain the skills needed to serve on nonprofit boards and be placed with charities in need of their management and financial expertise. In Boston, employees loan their talents by reviewing grant applications for the United Way of Mass Bay. In Luxembourg, volunteers help translate grant requests to multiple languages to facilitate review.

Collection Drives

Across the globe, offices participate in a variety of material drives including collections for food, school supplies and backpacks, holiday gifts, eyeglasses, clothing, books, and household items. Together, BBHers work to donate, package, and deliver these critical supplies to our charitable partners.

BBH Charitable and Philanthropic Contributions Policies

BBH is careful to ensure our charitable contributions benefit the community and do not influence the business judgement of others, approving and processing all contributions made on behalf of the firm through a single department. This department ensures all philanthropic activities comply with industry and local regulations and best practice.

2020 FOCUS & HIGHLIGHTS

United Way COVID-19 Funds

The pandemic created serious short- and long-term challenges, from health and wellness to lack of employment to school closures. In 2020, BBH was one of the first corporate partners to contribute to United Way's COVID-19 Community Funds. These funds were deployed to resources needed for educational support programs, food provision, and rent and utilities. This emergency support included learning materials and technology resources (tablets and wifi hotspots) needed to make home environments conducive to learning, boxes of groceries to keep hungry minds fueled, and social workers who could better connect families with health, housing and employment resources, as well as social and emotional support.

Laptops for Learning

While weekend field trips and in-person tutoring were put on hold with the children who live at the Dzieło Pomocy Dzieciom (DPD) group home in Krakow, our support and engagement did not wane. A few conversations with a local vendor helped to turn the "field trip funds" into tablets and laptops for the children in residence at DPD. Volunteers connected with the children to encourage them while completing coursework from the Home. Mentors kept track of these student's great work and elected to send along a few additional school supplies—and a few fun items—to keep the children motivated.

Virtual School Supply Collections

Across many offices, our annual back-to-school collections for children in need continued with supply wish

lists hosted on local retail sites. BBHcares champions coordinated with location stationers, department stores and book sellers to fill backpacks with notebooks, pencils, crayons, etc. for students of all ages.

Combating Isolation

Sunshine Action provides food, toiletries, medicine, and in-home services to individuals in Hong Kong. As more elderly and underserved individuals were confined to their homes or living on reduced income, Sunshine Action's resources were under greater pressure during the pandemic. To raise needed funds, BBHers set up a virtual auction of items—artwork, fashion pieces, even a bit of rare Japanese whiskey—and created an event to bring the office together for a social event that would also help Sunshine Action meet the needs of those in the community.

College Readiness

Through partnerships with Futures & Options, Cristo Rey Schools, the Marian L. Heard Scholars Program, and Generating Genius, BBH mentored students, delivered college and career readiness programming, and provided internships to the next generation of civic and business leaders. By participating in virtual small group events, panel discussions, and interactive workshops, BBHers helped students hone their public speaking, time management, goal setting, and interviewing skills while providing a critical foundation for financial literacy and careers in financial services. These relationships continue through the organizations' alumni program and students are encouraged to apply to BBH's internship program with the support of mentors.

More Paid Time Off to Volunteer

While BBH provides unlimited time for employee volunteerism through BBHcares partnerships with community organizations, many BBHers may like to serve their communities in ways not offered by the firm. In 2020, we increased our annual paid time off to provide all employees one additional day to make an impact in their community to causes that matter most to them. Launched mid-year, nearly 3,000 employees utilized this new opportunity.

3,000

employees used their new community service day to serve their communities in ways that matter most to them

WHY WE SUPPORT VOLUNTEERISM

Every person counts in making a difference! Volunteering provides physical and mental rewards, including:



REDUCING STRESS: Experts report that when you focus on someone other than yourself, it interrupts usual tension producing patterns.

BRINGING PEOPLE TOGETHER:

As a volunteer, our employees work side by side with people from various departments, building camaraderie and teamwork.



MAKING PEOPLE HEALTHIER:

Moods and emotions like optimism, joy, and control over one's fate strengthen the immune system.

PROMOTING PERSONAL GROWTH AND SELF-ESTEEM:

Understanding community needs helps foster empathy and self-efficacy.



SAVING RESOURCES:

Volunteering provides valuable community services so more money can be spent on local improvements.

STRENGTHENING COMMUNITY:

We are helping to support families, improve schools, support youth, and beautify the community.



GAINING PROFESSIONAL EXPERIENCE:

It is a great opportunity to enhance professional goals by improving leadership, project management, time management, and communication skills.

ONGOING LEARNING:

Our volunteers learn a lot about themselves, boards and government, and the communities and people we serve.



KEY INDICATORS

Indicator	2020 Result	2019 Result
# Total Volunteer Hours	2,300 hrs	8,500 hrs
Community Giving (Firm donations, Employee Giving Campaign, and BBH Employee Relief Fund Donations)	\$4.72 million	\$4.076 million
Annual Charitable Partners	153	133
Employees who Serve on Charitable Boards	320	225
BBH Employee Relief Fund – year of report	12 grants (\$112,737)	11 grants (\$150,925)
BBH Employee Relief Fund – since inception (2012)	92 grants (\$641,328)	79 grants (\$523,600)

“Community service organizations were hit hard during the pandemic due to higher demands on their services and reduced fundraising capabilities. In response, we converted volunteer initiatives to virtual where possible, increased our community giving and repurposed event contributions as direct donations. Generosity and a deep desire to be of service to others in times of need are hallmarks of our BBH culture and an ongoing inspiration.

- JP Paquin, Partner



SUPPLIER SOURCING



Conduct comprehensive screening on ESG factors and Supplier Code of Conduct on material supplier contracts and renewals.



UN Sustainable Development Goal: Ensure sustainable consumption and production patterns

As a global organization with thousands of business relationships, we recognize that our sustainability impact includes not just the work we do directly but also the work that is done on our behalf. We seek to enter into relationships with suppliers who share our values, including ethical dealings, environmental stewardship, and human rights and labor practices that support dignity and inclusion. We believe that all companies that provide products and services to BBH should align their guidelines, policies, and practices with ours, which are in turn aligned with those of our clients and employees.

BBH maintains a global supplier management process and conducts comprehensive due diligence on each supplier with which we engage. The question of how BBH holds its suppliers accountable for ESG risk and sustainable business practices caused us to enhance our ESG screening and launch a Supplier Code of Conduct. As of January 2020, BBH requires all suppliers who meet a materiality threshold to commit to the code.

While our Supplier Code of Conduct marked an important milestone, we see it as more than a formality. Our intent is to make it a springboard for education and engagement with our suppliers. It is a priority for us to raise awareness, and drive engagement so that together we can have a more meaningful impact.

What kind of suppliers does BBH work with?

Brown Brothers Harriman & Co., and its affiliates and subsidiaries work with external suppliers to provide various products and services to BBH. These services include:

- Analytics and Data Providers
- Technology Service Providers
- Business Process Outsourcers
- Catering
- Event Venues & Services
- Travel and Hospitality
- Childcare and Employee Benefits
- Facilities, Construction, A/V, Utilities
- Hardware and Equipment
- HR: Training, Recruitment
- Creative Services
- Legal Services
- Professional Services

CORE PROGRAMS, POLICIES, & PRACTICES

BBH continues to expand our core programs, policies, and practices to ensure that companies providing services and products to BBH represent a diverse population of people, and conduct their own business in a sustainable manner.

Vendor Management Policy and Process

BBH maintains a comprehensive global vendor management process that governs the firm's vendor risk management controls and sets forth requirements for managing external supplier relationships, including onboarding, due diligence, monitoring, and off-boarding. This process is subject to the BBH Global Vendor Management Policy, which applies to all engagements with external suppliers and is designed to comply with industry best practices and applicable laws and regulations. The BBH Vendor Management Steering Committee oversees this policy and process.

Vendor Management Committee

All BBH supplier engagements, whether with new or existing suppliers, require the review and pre-approval of the Vendor Management Committee (VMC), which is responsible for assessing the potential risks of the engagement while ensuring that the appropriate level of due diligence is conducted before we agree to a supplier engagement. The VMC also approves risk ratings for each engagement used to determine the required due diligence and the nature and frequency of the ongoing monitoring required under this policy. BBH conducts appropriate due diligence on the supplier, including, where required, a vendor technology assessment review, including cybersecurity practices, or a credit review prior to the engagement with the supplier. The risk review process also includes a screening for material ESG risk factors.

Supplier Code of Conduct

All BBH suppliers which meet a minimum materiality threshold must agree to BBH's Supplier Code of Conduct, which describes BBH's expectations for how suppliers conduct their business. In some cases, BBH

“ We don't simply want our suppliers to sign our Code of Conduct. We want them to truly understand what it entails and why it matters to BBH and to our stakeholders. ”



*- Jeff Keenan
Vice President, Core Compliance*

will accept an equivalent Code of Conduct that meets or exceeds the provisions of BBH's Code. While adherence to the Code is not a contractual commitment, BBH makes existing and potential suppliers aware that the firm takes their willingness to comply with the Code into account as part of our regular supplier review and selection process.

Vendor Technology Assessment

BBH's Vendor Technology Assessment (VTA) program exists to ensure the confidentiality, integrity, and availability of BBH and client data when using a supplier. The VTA performs a risk analysis to determine if the supplier has appropriate IT controls in place, ensures that contractual requirements are considered, and the supplier and BBH monitor those IT controls for the life of the relationship. Each supplier agreement also contains an obligation for them to maintain a BCP and a recovery time objective in case of any interruption to their services.

ESG and Sustainability Screening

BBH began asking our largest suppliers for details and reporting on their ESG and sustainability programs, not only to assess the strength of their oversight and controls, but also as an assessment mechanism for our own Sustainable BBH program.

KEY PROVISIONS OF BBH SUPPLIER CODE OF CONDUCT

Ethical Business Conduct

BBH expects suppliers to conduct their business in accordance with the highest standards of ethical behavior.

Legal and Regulatory Compliance

BBH's suppliers must conduct their business activities in compliance with applicable laws and regulations including those relating to gifts, business entertainment, and all other benefits involving business partners.

Health and Safety

Suppliers must integrate health and safety management practices, provide a safe and healthy work environment, and fully comply with all applicable safety and health laws and regulations.

Inclusive Work Environment

BBH suppliers must provide an inclusive and supportive working environment and take appropriate steps to encourage employee diversity across their organization.

Antidiscrimination and Harassment

Suppliers must not discriminate against any job applicant or worker based on age, disability, ethnicity, gender, marital status, veteran status, national origin, political affiliation, race, color, genetic information, religion, sexual orientation, union membership, or other legally-protected characteristic. BBH suppliers must provide their employees with an environment free from harassment and discrimination.

Human Rights and Labor Practices

BBH suppliers must share our commitment to human rights and equal opportunity in the workplace. BBH suppliers must treat their workers with dignity and respect, and BBH's suppliers must conduct their employment practices to the standards described in the U.K. Modern Slavery Act of 2015.

Wages and Benefits

Suppliers must comply with all applicable laws concerning accurate and timely payment of wages, including mandated minimum wage, benefits, and overtime compensation.

Environmental Practices

BBH suppliers must comply with all environmental laws and regulations applicable to their operations worldwide and should take steps to encourage a reduction in energy use, waste production, carbon emissions, and other negative impacts on the global environment across the lifecycle of their products and services.

Confidentiality, Privacy, and Data Protection

BBH suppliers must protect BBH's confidential information. Suppliers must adopt and maintain processes to provide reasonable protections for personal, proprietary, and confidential information, including information that they access, receive, or process on behalf of BBH.

Business Continuity

BBH suppliers must maintain a comprehensive BCP that addresses the potential loss of facilities, technology, and human capital necessary to support BBH.

KEY INDICATORS

Indicator	2020 Result	2019 Result
# of suppliers contracted	2,700	1,800
# of suppliers assessed by the Vendor Technology Assessment— 3-Year Rolling View	167	150
% of total spend: suppliers who meet materiality threshold for ESG screening	91%	94%
# supplier signatures to BBH Supplier Code of Conduct (or equivalent)	115	n/a*

*program launch January 2020

“As a firm, we’ve set high expectations for ourselves and how we conduct business in a global environment. Having a supplier base whose interests and values are aligned with our sustainability goals just makes sense.



*- Michael Dow
Senior Vice President, Enterprise Services Management*



Thank you for reading our report.

We welcome your thoughts and observations as we believe feedback and accountability are key to our progress.

www.bbh.com/sustainability

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Making an impact for generations to come.



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