

# Investment Management ESG Position Statement

**BBH Investment Management's mission is to preserve and grow our clients' capital over long periods of time. For over 80 years, BBH Investment Management (IM) has performed proprietary investment research focusing on long-term capital preservation and the prudent management of risk. At the core of our investment process has always been an understanding that the path to generating attractive long-term investment returns is first and foremost to reduce the likelihood of permanent capital loss.**

We believe that inclusion of material environmental, social and governance (ESG) criteria in our investment process enhances our ability to evaluate and manage risk in our investment process, as we pursue our long-term objectives.

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

Our investment principles:

- focus on capital preservation
- conduct deep, bottom-up, fundamental research
- invest with a long-term perspective
- apply discipline and patience
- employ a value-based approach

The evaluation of material ESG factors as part of our investment research process helps us assess the long-term sustainability and durability of our equity strategies, corporate bonds, municipal debt and structured products investments. Depending on the ESG risks that the revenue generating activities of issuers face, examples of environmental factors include, but are not limited to, the issuer's ability to manage risks and opportunities related to carbon emissions; water stress; and effluents. Similarly, examples of social considerations include: health and safety; privacy and data security; and, community relations. Finally, examples of governance matters include financial transparency; management structure; and ethics practices. For more information on climate change related matters, please refer to the [BBH Climate Statement](#).

### **ESG Integration: Embedded within our bottom-up approach**

- Our team of **approximately 55 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.
- We commit ourselves to the **careful study of factors** that could cause impairment of capital. As with any potential risk, if those associated with ESG matters are not adequately addressed and mitigated, it may inform our decision on a course of action with respect to that security.
- Through our **bottom-up research** on companies and industries, **engagement with issuers**, as well as our continual efforts to monitor social dynamics, scientific developments, market trends and the regulatory environment, we continue to evolve our knowledge of how well material ESG risks and opportunities are being addressed. For more information, please refer to the [BBH IM Investment Stewardship Policy](#).

### **Oversight and Governance**

BBH Investment Management's ESG Oversight Committee monitors ESG integration activities, regulatory developments, industry best practices, data research tools and investment opportunities, with the objective of continually enhancing Investment Management's overall ESG program. The ESG Oversight Committee also facilitates ESG knowledge-building through team training sessions and ensures that IM's ESG initiatives are appropriately reflected in its engagement with other industry participants, marketing collateral and client reporting frameworks. In addition, the ESG Oversight Committee reviews the ESG integration report that BBH & Co. Investment Management, as a PRI signatory, files through the PRI reporting framework.

The ESG Oversight Committee is chaired by a BBH Partner, and consists of the ESG Program Manager and senior representatives from the equity and fixed income investment teams, business development and relationship management, funds management, operational strategy, client servicing, marketing, and risk and governance. The ESG Oversight Committee meets, at a minimum, on a quarterly basis, and regularly reports to the Investment Management Oversight Committee.

## Conclusion

BBH IM provides investment management services to institutional and individual investors around the world. ESG criteria are embedded in our investment process. We also offer the capability to customize investment solutions aligned to client specific ESG goals or screening preferences.

Investors should be able to withstand short-term fluctuations in the equity markets and fixed income markets in return for potentially higher returns over the long term. The value of portfolios changes every day and can be affected by changes in interest rates, general market conditions and other political, social and economic developments.

For more information, please refer to the [BBH IM Position Statement](#) and [BBH Investment Management Investment Stewardship Policy](#).

A less favorable ESG profile may not preclude the manager from investing in a company, as the consideration of ESG factors is not more influential than the consideration of other investment criteria.

**NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE**

IM-13953-2024-01-11

Exp. Date 12/31/2024