

ANNUAL STEWARDSHIP REPORT
2022





BASIS FOR REPORT

REPORT SCOPE & BOUNDARIES

This is a firmwide report, including the aggregate operations and activities of all BBH business lines and offices globally. 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. 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

REPORTING PERIOD & CYCLE

This report covers calendar year 2022. There are no material changes or restatements from previous reporting periods.

Feedback from our stakeholders in response to this report will help BBH adjust and improve future reports.

CONTACT INFORMATION

We welcome your feedback, comments, and questions about this report. Please contact us at sustainability@bbh.com. Thank you.

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"As we look to the future, we remain committed to setting higher standards for ourselves. We will continue to integrate sustainability into our business, striving to make a positive impact on our clients, our people, and our communities."

LETTER FROM OUR MANAGING PARTNER

I am proud to present our annual Stewardship Report for 2022. As I reflect on the year—a most unusual one — I'm proud to share our progress, acknowledge our challenges, and reaffirm our commitment to the Firm's ongoing journey toward a more responsible and sustainable future. This report provides a transparent accounting of our sustainability efforts and their impact on our clients, our people, and our communities.

As a Firm, we have made meaningful progress each year since we first established a formal, intentional sustainability program in 2019. Of course, in a 205-year-old organization, the spirit of Sustainability has always been a part of our unique culture. Still, to avoid complacency, we know we must be tireless in reminding ourselves to embed these principles into everything we do.

One step in this direction is to make sure every BBHer understands how they can support and advance progress toward achieving the Firm's Sustainability goals. At the end of 2022, as we were planning for 2023, we approved a set of Sustainability-related performance goals for the coming year against which each BBH employee is measured in their annual reviews. Not only do these goals serve to remind us of our institutional priorities, but they also hold our senior leaders accountable for modeling how every BBHer should be actively motivated and involved.

We also recalibrated our Executive Sustainability Council's strategic objectives during the year. Our

Council is made up of senior leaders of the Firm who are accountable for continuous progress in our ten focus areas. In 1H 2022, we adjusted our membership to better orient ourselves toward delivering on our three priority program areas: general program oversight, delivery against our goals, and market engagement. The Council was tasked with the following:

- Internal and external advocacy through thought leadership, client engagement, and external speaking engagements,
- Benchmarking against leading ESG programming and tracking/staying abreast of current ESG trends in the financial services industry,
- Gathering client and employee insights and sentiment, and bringing them to the Committee for discussion,
- Taking an active and visible role in promoting our Sustainability Initiatives throughout BBH and our client/industry community.

The Council also critically reviewed our ten focus areas and determined that combining our ESG Integration and Sustainable Investing goals would simplify, strengthen, and align our reporting on ESG factor analysis in the investment process across both our Investment Management and Private Banking businesses. By integrating two goals into one, we were able to develop a new "10th Goal," ESG Solutions for Banks and Asset Managers, which we added to our priority list. This new goal encourages our Investor Services line of business

to develop products and services designed to help our clients meet their own ESG goals and requirements, usually through customized ESG reporting solutions employing our Connectors Program (which incorporates leading ESG data solution providers).

Our commitment to reducing our own environmental impact remains strong. In 2022 we adopted an Environmental Policy for the Firm that outlines our guiding principles around our own environmental sustainability. This has helped us prioritize investments in renewable energy sources, energy-efficient technologies, and waste reduction programs, which have not only reduced our environmental footprint but in some cases even enhanced our own operational efficiency. We are proud to share that our total Scope 1 emissions were down 45% in 2022. For Scope 2, our market-based emissions were down 38% and location-based emissions were down 41%. While our predominantly remote work environment in 2022—a result of the COVID-19 pandemic—no doubt enabled these results, now that we are back in the office a minimum of 3 days per week, we are determined to build upon this success.

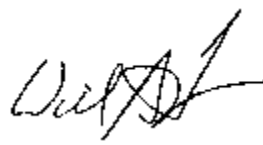
Our leadership recognizes that part of BBH's social contract is that we must contribute positively to the communities in which we operate. In 2022, that commitment intersected with sudden geopolitical unrest. Within days of Russia's invasion of neighboring Ukraine, a humanitarian support page was launched on our intranet to serve as a centralized hub for BBHers to find constructive ways to lend a hand. Hundreds of Krakow-based BBHers jumped into action to support refugees directly, many inviting them to shelter in their homes. Assisting our Krakow colleagues, thousands of USD worth of toiletries, bedding, socks, and underwear were shipped from BBH's other locations to our Krakow office to be distributed to those in need.

Like Sustainability itself, creating a diverse, equitable, and inclusive work environment is a journey. We strive to cultivate a workplace where all BBHers feel a sense of genuine belonging; where they feel

valued, included, and empowered to deliver their best. In 2022, we launched a new firmwide development program exploring the role bias can play in preventing individuals from being open to change and new ideas. “Breaking Through Bias” taught BBHers how to identify and understand bias as it occurs and why it occurs. Importantly, the course taught strategies to then adapt, educate, and engage when you or a colleague experiences bias.

Transparency and accountability are at the heart of our sustainability efforts. This report provides a comprehensive look at our progress in 2022 and is an invitation to our stakeholders to provide feedback and advice. As we look to the future, we remain committed to setting higher standards for ourselves. We must and will continue to integrate sustainability into our business, striving to make a positive impact on our clients, our people, and the communities we are a part of. We understand that the challenges facing our world are significant, and we recognize our responsibility to do our part to address them in the areas where we can have a material impact. It is our firm belief that by working together, we can and will help build a more sustainable and equitable future.

Sincerely,



William Tyree
Managing Partner

Executive Sustainability Council Members

Council Governance

Bill Tyree (Chair)
Managing Partner, New York

Beth Maury (Co-Sponsor)
Managing Director, Head of Marketing, Boston

Marla Barr (Co-Sponsor)
SVP, Head of DEI, New York

Emily Mahlman
(Program Manager), VP, Head of Firmwide Brand, Boston

Niamh Bonus
Managing Director, IM, New York

Chris Brunet
Managing Director, Head of HR, Boston

Jake Chacko
SVP, Associate General Counsel, New York

Marcus Doherty
SVP, Inserv Compliance, Dublin

Michael Dow
SVP, Head of Enterprise Services, Boston

Josh Fine
Managing Director, Head of Data and Digital, Inserv, Boston

Orla Foley
Managing Director, Inserv, Boston

Dan Greifenkamp
Managing Director, IM, New York

Sarah Holmes
Managing Director, Chief Admin Officer, Systems, Boston

Karen Jackson
Managing Director, Inserv, London

Marta Kraszewska
SVP, Inserv, Krakow

Denise Mak
SVP, Inserv, Hong Kong

Adrienne Penta
Managing Director, Head of Center for Women & Wealth, PB, Boston

Elizabeth Rand
Managing Director, Head of Risk, New York

Justin Reed
Partner, Co-Head of Investment Research Group, PB, New York

John Santos
Managing Director, Treasury, New York

Adrian Whelan
SVP, Inserv, Dublin

Kate Wozniak
SVP, Inserv, Luxembourg

SUSTAINABLE BBH MISSION

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 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.

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GOALS

OUR CLIENTS

Serving as a trusted advisor to help clients achieve their goals over the long term

OUR PEOPLE

Investing in our people to help them build their careers and achieve their goals

OUR COMMUNITIES

Reducing our environmental impact and making positive contributions to our communities

ESG Considerations and Sustainable Investing

Partner with our private clients to understand and align their investments and plans with their vision and values, employing BBH and third-party investment strategies which may include SRI and ESG approaches. Across relevant BBH investment strategies, we assess material environmental, social, and governance (ESG) factors as a part of our investment process.

ESG Solutions for Banks and Asset Managers

Engage with our clients and provide thought leadership to the market on ESG and related regulations and their impact on asset managers and banks. Provide solutions to ESG reporting requirements either directly, or through leading ESG solution providers.

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 our emissions and resource consumption throughout our facilities and operations.

Community Engagement

Increase the reach of our community engagement program, BBHcares.

Supplier Sourcing

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

2022 HIGHLIGHTS



149

Annual Charitable Partners



34.3%

of new hires were
people of color (U.S.)



87

Wellness events globally



49%

Decrease in energy use



39%

of roles filled internally



\$2.5M

Community Giving

10 NETWORKS

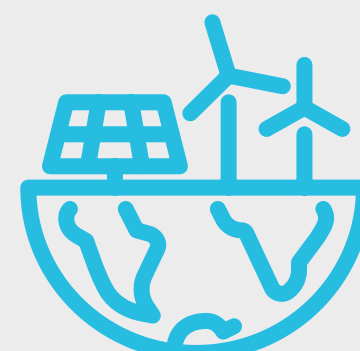
66 CHAPTERS

Size of BBH Affinity Network
Communities (BANC)



81%

of AUM managed by investment
managers with an ESG policy
statement



↓ 79%

Decrease in Scope 3
emissions compared to 2019



100%

of third-party managers evaluated
against ESG criteria in annual reviews



OUR FIRM

FIRM OVERVIEW AND 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, 2022, the firm employed 5,553 full-time professionals and an additional 446 consultants in 18 locations throughout North America, Europe, and Asia.

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)		Krakow (2012)
New Jersey (1994)		
Charlotte (1995)		
Wilmington (2009)		
Nashville (2015)		
Houston (2022)		

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, depositary and trustee services, fund accounting, fund administration, transfer agency and related services such as data and technology services, global tax and fund solutions, middle office, foreign exchange, currency administration, and securities lending solutions.

Scale of the organization: approximately \$4.1 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 \$47.1 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 \$64.6 billion assets under management (including \$30.5 billion in assets managed on behalf of BBH’s Private Banking Business)





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ESG CONSIDERATIONS & SUSTAINABLE INVESTING



GOAL: Partner with our private clients to understand and align their investments and plans with their vision and values, employing BBH and third-party investment strategies which may include SRI and ESG approaches. Across relevant BBH investment strategies, we assess material environmental, social, and governance (ESG) factors as a part of our investment process.

OUR APPROACH

At BBH, we service our clients' distinct ESG, sustainable investing, values-based investing, and SRI needs through our Private Banking and Investment Management businesses. Private Banking helps individuals and families create philanthropic programs and wealth plans that are rooted in their values. Investment Management's bottom-up, active managers perform in-depth, fundamental analysis with the belief that the integration of financially relevant ESG factors helps them achieve clients' long-term objectives. Similarly, Private Banking's Investment Research Group has a well-defined philosophy and set of investment criteria that guide our manager selection process. We believe this approach is well aligned with successful ESG integration.

CORE PROGRAMS, POLICIES, & PRACTICES

DIRECT INVESTING

We believe that incorporating material ESG factors as part of our proprietary investment research process for our equity strategies, corporate bonds, municipal debt and structured products enables us to focus on long-term capital preservation and prudent management of risk relative to return when assessing the durability of issuers. In the end, our long-term fundamental investment philosophy aims to narrow a broad investable universe to a select number of businesses that meet rigorous qualitative criteria. This results in portfolios for our institutional and private clients that, in our view, hold responsible, durable issuers that are more likely to manage resources efficiently, create value for stakeholders, and protect creditors over the long-term.

Key characteristics of BBH's proprietary, bottom-up approach:

- Our team of approximately 55 equity and fixed income investment professionals are responsible for incorporating material ESG criteria into our investment analysis and decision-making process.
- Each investment team employs 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 permanent capital impairment. As with any potential risk, if those arising from ESG externalities are not adequately addressed and mitigated, it may inform our investment decision with respect to a given security.
- Through our bottom-up research on issuers and sectors, engagement with stakeholders, and 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 factors are being addressed.

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

"As stakeholder expectations and the external environment continue to shift, it has become increasingly critical to evaluate financially relevant ESG factors to help us better understand a wider range of drivers that influence investment risk and return"

*– Mario López-Alcalá,
ESG Program Manager*



MANAGER SELECTION

For our private clients, we seek to partner with a select group of the highest-quality investment managers that we believe are best in class. Partnering with only a select roster of managers allows us to perform deep research on both prospective and existing managers, but also increases the importance of making great manager selection decisions. A key component of this is to partner with managers whose philosophies naturally align with ESG, helping to effectively assess the long-term sustainability and resilience of their underlying investments.

For instance, we monitor how investment managers approach the recruitment and retention of talent. Research suggests that having diversity of thought and experiences enhances discussions and decision-making processes, which is critical for long-term sustainable investment success. We recognize that it also has the potential to create additional societal benefit. Therefore, we spend time to understand if, and how, our prospective and existing managers have sought diverse talent when hiring. We have found that managers who spend time thinking about adding resources with different experiences and perspectives tend to be just as thoughtful when making investment decisions.

Why assessing material ESG factors matters



Environmental – Entities that manage risks stemming from their use of resources, exposure to physical and transition climate change risks, and their environmental impact may gain efficiencies that drive profitability. They could also be less likely to create unforeseen liabilities that can erode cashflows.



Social – Issuers that mitigate their exposure to frequent and severe incidents affecting suppliers, employees, customers, or communities in which they operate, as well as anticipate shifts in social dynamics and preferences, can be less prone to service or production interruptions and societal backlash.



Governance – Leadership teams that keep high standards of business ethics, align pay for performance, and remain independent and objective in seeking the best outcomes for the organizations they oversee, could be more likely to create value for stakeholders over the long-term, protect the rights of creditors, and maintain access to the credit markets.

ADVISORY SERVICES

Socially Responsible Investing

ESG investing is a “values agnostic” undertaking; however, we recognize that each client’s values should ultimately shape their definition of what it means to invest responsibly. SRI addresses clients’ desires to incorporate their unique values into their portfolios. Naturally, SRI means different things to different people, and as a result, we begin each client relationship by seeking to identify our clients’ values and understand their unique SRI objectives. We ask our private clients questions like, “What specific causes (e.g., environmental protection, health, human rights, corporate governance) are important to you?” and, “How do you define success in terms of sustainable investing?” With the knowledge we gain from these conversations, we collaborate with clients to create a sustainable investment plan in line with their values, execute on that plan, and review results over time.

We are also engaging with privately held and family-owned businesses on sustainability, providing advice on how to integrate it into their businesses as well as how to communicate their efforts effectively to the marketplace. Through ongoing engagement with clients, we seek to help them achieve their sustainability goals over time and evolve their approach as external circumstances change.

For families and nonprofits concerned about measurable exposure to industries and products in conflict with their values, we leverage an industry-leading, third-party data tool to help meet their sustainable investment objectives. For example, if a private 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.

Additional Investing Tools and Methodologies

To further support our private clients’ sustainability goals, we use a third-party research tool to measure 15 impact categories and 17 United Nations Sustainable Development Goals within its most

commonly implemented taxable and tax-exempt portfolios against applicable benchmarks. Some of the impact categories include carbon, waste, water, social good, and board independence. With this data, we offer clients a view into the impact of BBH portfolios, as well as alignment with certain ESG criteria.

In addition, if our private 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 make changes at any time.

Values-Based Planning

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. To help our private clients navigate this challenge, we developed a proprietary three-step, values-based planning framework that makes the conversation approachable, helping clients articulate their values to help guide decisions about how their wealth is invested, saved, spent, and donated.

Our three-step framework:

1. Understand how the family’s history has influenced its values and articulate core 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.



"At BBH, we believe that SRI should not be a one-size-fits-all exercise and defining one's values is a critical step in determining success. Having a deep-dive conversation with each client on values and goals is a key component to tailoring our approach. Through this exercise, we seek to construct an investment plan that is designed to help achieve each client's unique definition of success."

*– Justin Reed,
Co-Chief Investment Officer*

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 on investing, planning, and charitable giving.

Philanthropic Advisory

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 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 of philanthropic investment 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.

Thought Leadership & Industry Engagement

We create educational thought leadership on sustainable investment, sustainable business, and philanthropic topics and trends, such as [Investing for Good: Aligning Your Investments](#) and [The Power of Women's Philanthropy](#). We also hold informative seminars and forums on ESG and sustainable investing-related topics to further engage our clients.

To keep updated on the ongoing advances in the ESG industry, our investment teams and ESG Oversight Committee regularly attend ESG conferences and liaise with specialist research firms, thought leaders, and our international network of investors. We also provide continuing education to our relationship teams and have internal resources — including access to the firm's subject matter experts and materials on our offerings and approach — so that we can provide the best possible advice to our clients on an ongoing basis.



BBH ESG Resources:

[ESG Position Statement](#)

[Climate Statement](#)

[Investment Management Investment Stewardship Policy](#)

[BBHCP ESG Policy Statement](#)

[Sustainable Investing and ESG Homepage](#)

CENTER FOR WOMEN & WEALTH

The mission of BBH's Center for Women & Wealth, founded in 2015, is to engage and support women in wealth creation and management and to build a dynamic and inclusive environment for conversations about family, wealth, and values. Women have long been underserved by the financial services industry. The CW&W originally developed values-based planning to address this very 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 clients.



The Owners' Council was created in 2022 to bring together a dynamic and diverse community of women business owners for the purposes of sharing both personal and business insights and experiences, supporting and advocating for each other, and thoughtfully growing our shared ecosystem of women leaders. Hosted by the BBH Center for Women & Wealth and the BBH Center for Family Business, the Council provides members networking opportunities with peers and access to educational materials to help amplify success of women business owners.

2022 REVIEW AND SPOTLIGHT

ESG Integration in Investing

In 2022, we transformed our Engagement Statement into a full-fledged Investment Stewardship Policy. The Policy reaffirms our stewardship approach, which is primarily designed to further our mission to preserve and grow our clients' capital across economic and full market cycles. In this sense, we believe in investment stewardship as a mechanism in our investment process to manage risk and inform our conviction on the durability of assets for the long-term. The Policy discloses additional details on engagement methods, process, escalation, proxy voting, and avoiding and addressing conflicts of interests.

We also developed a proprietary ESG tool to assess how externalities could materialize across an issuer's value chain to provide a holistic view of how our issuers address material ESG Factors.

Throughout the year we continued our engagement efforts in both equity and fixed income strategies with in-house-led discussions consistent with our bottom-up approach. Based on our proprietary ESG tool, we developed a priority list of topics to engage issuers that display the highest mismatch between apparent risk management capabilities and risks stemming from their exposure to material externalities.

We voted 100% of our proxies, with all proposals assessed on a case-by-case basis by our equity teams. We supported 88% of resolutions brought up by both management and shareholders, most of which included governance matters and some related to environmental and social concerns.

Additionally, we ramped up our ESG integration training sessions led by internal and external subject matter experts and provided 780 training hours to our investment teams. We also offered webinars available on-demand for training purposes from our subscriptions to specialized research, analysis, and news. In addition to explicit training sessions, we conducted ESG reviews on portfolio holdings across strategies. These review sessions were led by a BBH Partner and the ESG Program Manager. During these sessions, detailed feedback was provided in an iterative way to challenge investment teams' conclusions, invite them to reassess their assumptions, and continue to build capacity in integrating material ESG-risk factors in the investment process.

Every month we issue ESGTrends, an internal bulletin highlighting environmental, scientific, and societal tendencies to keep investment teams abreast of long-term investment developments.

Assessing External Managers' ESG Approaches

To better assess our external investment managers' approach to ESG, we enhanced our manager ESG questionnaire. First launched in 2021, the 2022 questionnaire was updated to ask our third-party managers to describe how their firm defines diversity, equity, and inclusion, as well as provide a breakdown of firmwide diversity data, if available. This more robust questionnaire helps our teams select the managers that most align with our clients' needs and BBH's values.

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Responsiveness to Client Needs				
% increase in ESG-related RFP responses (vs. year prior)	6%	52%	21%	33%
Investment Process				
% of investments evaluated with ESG criteria included in investment process*	100%	100%	100%	100%
% of investment summaries that include discussion of ESG factors*	100%	100%	100%	100%
% of AUM managed by PRI signatories	78%	79%	82%	5%
% of AUM managed by investment managers with an ESG policy statement	81%	79%	82%	82%
External Manager AUM % with an ESG Policy	51%	51%	55%	56%
External Manager AUM% that is a UN PRI signatory	48%	49%	38%	11%
% of third-party managers engaged on ESG issues through manager questionnaire	100%	100%	N/A	N/A
% of third-party managers evaluated against ESG criteria in annual reviews	100%	100%	100%	100%
Thought Leadership & Education				
Employee ESG Training and Education Hours	780	2000+	1500+	N/A: New for 2020 Report
Diversity				
% of new Capital Partners investments in companies that are substantially owned or led by a member of an underrepresented group - cumulative, since report inception (2020)	60%	29%	25%	N/A: New for 2020 Report

*Excludes US government securities

ESG SOLUTIONS FOR BANKS & ASSET MANAGERS



GOAL: Engage with our clients and provide thought leadership to the market on ESG and related regulations and their impact on asset managers and banks. Provide solutions to ESG reporting requirements either directly, or through leading ESG solution providers.

OUR APPROACH

BBH's approach to supporting our clients' ESG needs is informed by the many challenges asset managers face navigating the rapidly changing ESG landscape. Among these challenges is a lack of high-quality data, evolving standards and regulations, and shifting stakeholder expectations and demand for ESG investing. We are committed to supporting our clients in navigating these challenges as they address environmental and social issues in their investment processes. As part of our client engagement strategy, and supported by our Voice of Client research, we continue to engage and consult with our Investor Services client base to gather feedback so we can better understand how to support our clients' ESG strategies. Through the course of many client discussions, we have discovered that there are three areas where we are best suited to aid our clients in achieving their ESG investment goals: fund administration, ESG reporting and data solutions, and client engagement and education.

CORE PROGRAMS, POLICIES, & PRACTICES

Fund Administration

We support our asset manager clients by delivering post-trade Socially Responsible Investing (SRI) compliance reporting against filters specific to their SRI guidelines. Our Portfolio Compliance Monitoring service within Fund Administration allows our clients to see their current exposure at a granular level to industries such as gambling (internet, casino services, non-hotel), arms (weapons, munitions, military contractors), fossil fuels (oil, gas, coal), etc., to determine if allocations require reweighting. To monitor SRI criteria in a portfolio, rules are created either based on specific security parameters or sector parameters as directed by the client. These rules are applied to the portfolio and alerts are triggered in the event of a breach or potential breach. This enables the client to quickly address a portfolio that falls out of compliance, ensuring the investment product is aligned with its advertised SRI criteria. We are also working on proof-of-concept enhancements to help clients better manage their data, investment solutions, and proxy voting capabilities to align with their asset allocation guidelines.

ESG Reporting and Data Solutions

BBH is dedicated to supporting our clients' ESG data needs as regulation, industry standards, and stakeholder expectations continue to evolve. A key component of this is facilitating relationships between our clients and leading third-party ESG data providers through BBH Connectors. We have surveyed the market in the ESG space to understand the data provider ecosystem. Our subject matter expertise

plus our funds servicing capabilities, coupled with our data solutions, position us to provide direct ESG support and also more broadly to facilitate our clients' ability to work with leading ESG firms. We work with leading providers that help our clients generate and access the ESG data they require to accurately consider societal impact in investment decisions. Reports capturing ESG data are delivered directly into third-party data providers' systems, in addition to our clients' technology platforms, using BBH Infomediary Data Services.

These third-party providers include:



An ESG market data provider that focuses on sourcing ESG data points. Specifically, the provider specializes in integrating ESG factors across client operating models to maximize opportunity and governance while building solutions to meet their strategic demands.



An ESG data aggregator that maintains a comprehensive service for sourcing, validating, and distributing ESG data to assist with growing regulatory needs and investor demand for transparency.

Thought Leadership

We stay current on the ESG landscape globally and distill trends and regulatory updates into practical takeaways for our clients. Our articles, videos, webinars, and events often include third-party expertise to ensure clients and the broader industry receive a well-rounded view of ESG's role in the market as they shape their own best practices. Some of our most notable 2022 ESG thought leadership pieces include:



- [How are you articulating your fund's ESG strategy?](#)
- [Rewiring Capital Markets: Are you Joining?](#)
- [ESG Regulatory Focus: Three Themes to Watch](#)
- [Cross-Border Fund Distribution Regulations: Knowing How to Adapt](#)

KEY INDICATOR



clients using portfolio
SRI compliance monitoring



Client Engagement and Education

ESG's demise is greatly exaggerated

To paraphrase Mark Twain's reaction to erroneous reports of his own passing, recent trade press obituaries regarding ESG investing appear off the mark.

Following a sustained period of mass market exuberance and significant investment into ESG products, we now see ESG experiencing its first prolonged period of pushback.

ESG is a divisive political issue globally and remains nascent, fast evolving, and complex. As such, it is unsurprising that a wide spectrum of opinion exists on its pros and cons. Its fiercest critics use pejorative terms such as “woke capitalism” and suggest that ESG disregards a company's primary fiduciary duty to clients. Other issues such as greenwashing, data quality, and regulatory fragmentation each weigh down sentiment on ESG as well.

Even the most fervent ESG supporter will admit that it remains an imperfect concept with headwinds such as data scarcity, inconsistency, and inaccuracies. Many companies continue to drink from a firehose of fragmented regulatory releases and fear being labelled with “greenwashing” if they overpromise and underdeliver. The ability to accurately aggregate metrics on a company's ESG characteristics also remains challenging.

However, despite these growing pains, there remains an observable investor appetite, political will, and regulatory calibration across the globe that drive capital markets toward greater sustainability. Banks and asset managers continue to roll out ESG products globally, and new regulations push stakeholders to measure their environmental and societal footprints. Investors have a strong desire to understand how companies are integrating ESG into their business models, with investor engagement increasingly focused on ESG as investors analyze risks and returns through non-financial prisms.

It is also true, regardless of one's political or investment view, that action is required to address climate risks that will necessitate large flows of money to address the issues at hand. A report from the Intergovernmental Panel on Climate Change (IPCC) provides a stark warning that the window for action to limit the most destructive impacts of climate change is “rapidly closing.” It appears global capital markets are listening.

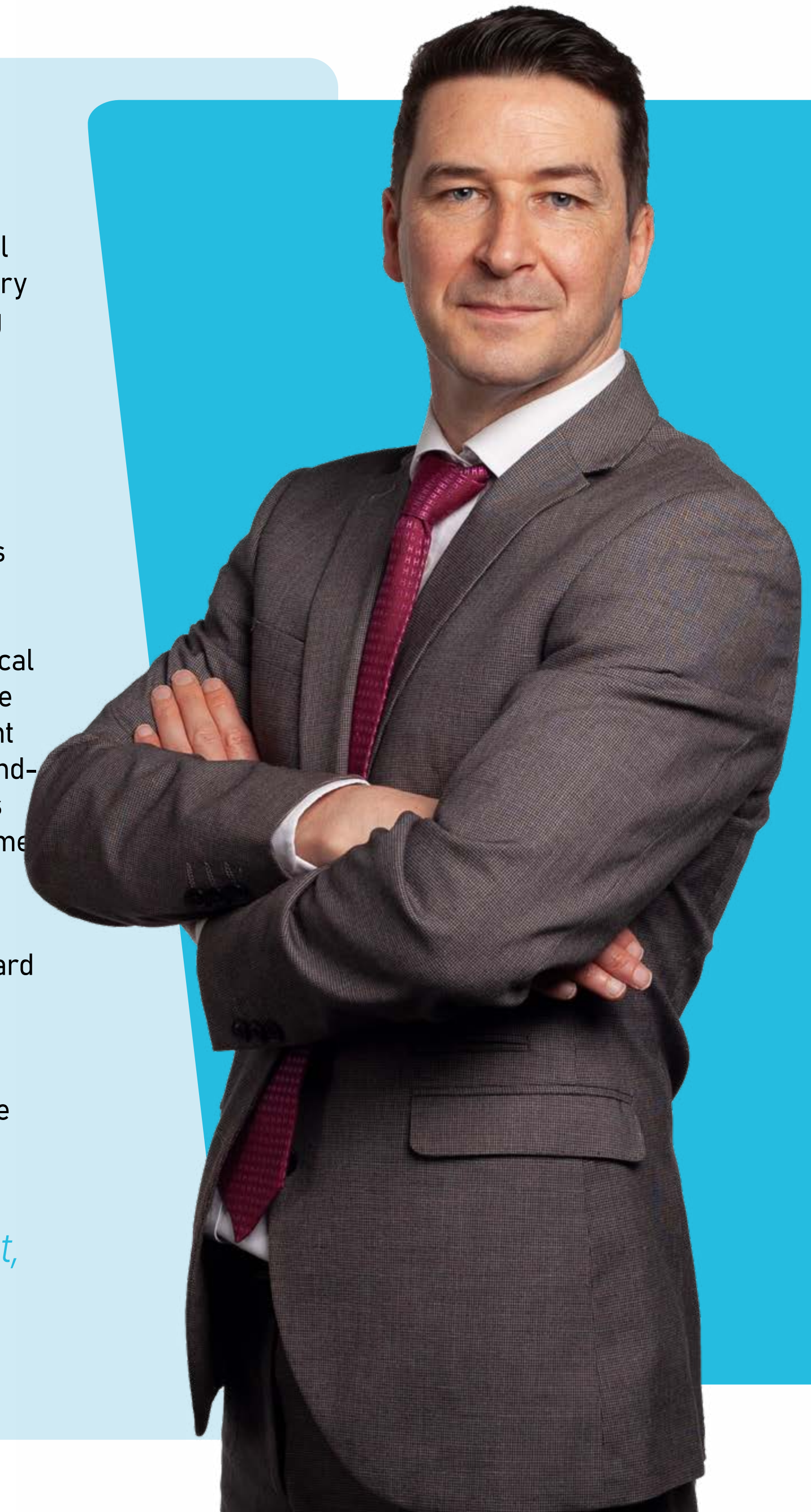
Governments across the globe continue to commit to national or supranational climate and other ESG-related standards. This political shift ties the global economy together on an economic policy journey which explicitly aims to mobilize public and private capital market activity towards funding and maintaining more sustainable economic activities, particularly mitigating climate impacts and preserving nature. This top-down change dynamic

is materially impacting how global banks and asset managers think about their own business models. Supplementing this political and societal will, a plethora of global regulations and voluntary ESG frameworks are fundamentally reshaping how finance operates. It is no longer merely a competition on balance sheets and profit and loss – firms are measured by their multiple stakeholders on non-financial measures, and this is the incontrovertible direction of travel.

Whether it's coordinated policy such as the E.U.'s “Green Deal,” U.S.'s Inflation Reduction Act, or global multilateral commitments like “Net Zero,” what is clear is there is no going back. The political course has been set and will continue to mobilize trillions of dollars toward sustainable investment in the coming decades as the energy security landscape, climate crisis, and socioeconomic divides continue to force us to think about reshaping some of global capitalism's core tenets.

It is evident that ESG in capital markets is now primarily viewed as an objective, data-led, forward looking risk management and capital allocation model rather than a subjective political belief system. As such, ESG is everywhere and will remain so for the foreseeable future, and despite recent pockets of pronounced protest, ESG's demise has been greatly exaggerated.

– *Adrian Whelan, Senior Vice President,
Head of Regulatory Intelligence*



CYBERSECURITY



GOAL: 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.

OUR APPROACH

As a trusted steward of our clients' financial wellbeing and assets, information security is critical to our success as a business. 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. As the industry and risk landscape continue to evolve, BBH remains dedicated to vigilantly maintaining a resilient business in the face of cyber threats.

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 constructed as a multi-layered protective environment safeguarding BBH assets from external and internal threats.

Security operations supplement 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 assessments; identity and access management; infrastructure defense; network, perimeter, and insider threat monitoring; and cyber incident management.

To ensure our cybersecurity team has access to a diversified talent pool and resources, BBH continues to engage with universities/colleges to hire for internship and graduate programs. This effort includes working closely with Drexel University for co-op specific opportunities.

Given the ever-changing cybersecurity landscape, BBH ensures that our cybersecurity staff is well versed in tactics used by bad actors and the latest developments. To achieve this dynamic goal, BBH partners with a third-party provider for training and encourages staff to attend relevant trainings and industry conferences including WiCyS (Women in Cybersecurity). These components, combined with a robust training and communications program, build a more resilient organization.

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. 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 and requires employees to promptly report any actual or suspected data disclosures to the Privacy Officer. We also maintain a public Privacy Policy, available on our website.

Infrastructure and Application Security

BBH's Infrastructure Security team maintains an extensive perimeter security technology suite. This includes devices such as firewalls, URL filtering, intrusion detection, and prevention systems to effectively shield the firm from external cybersecurity threats. Additionally, penetration testing, vulnerability, application code scanning along with infrastructure configuration scanning round out this area.

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 require additional controls such as multi-factor authentication for privileged access to production systems 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.

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, as well as phone calls to employees simulating vishing simulations. This training is supplemented by firmwide awareness communications.

BBH operates a 24/7 cybersecurity hotline that empowers staff to quickly escalate any related concerns; the hotline leads to the Cyber Security Operations Center for triage and incident management.

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 is focused on training and awareness of all employees as well as conducting scenario exercises to prepare the organization for actual cyberattacks. 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. We review, escalate, and resolve reported data disclosures according to a defined process based on industry best practices as well as contractual and regulatory requirements.



KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Cybersecurity Strength - BBH attests to compliance with the standards set by the following bodies				
New York State Department of Financial Services – Cyber-security Requirements for Financial Services Companies	✓	✓	✓	✓
SWIFT Customer Security Programme	✓	✓	✓	✓
SWIFT Shared Infrastructure Programme	✓	✓	✓	✓
Employee Vigilance				
% compliance with mandatory employee training	100%	100%	100%	100%
% participation in Phishing Awareness Program	100%	100%	100%	100%

BUSINESS CONTINUITY



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

OUR APPROACH

Planning for the unexpected is a philosophy that not only informs our investment decisions, but also underscores how we think about protecting our people, clients, technology, and assets no matter 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.

To keep business running during BCP events, 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.

At a minimum, we review these plans 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. We now operate in a hybrid environment with employees regularly testing remote access and prepared to support interruptions from multiple locations.

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 and Cyber Incident Response organizations. The Enterprise Incident Management team works with all 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 is governed by the Business Continuity Planning Executive Committee (BCPEC).

CONTINUOUS PLANNING AND REVIEW

We execute a three-pronged 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 their own continuity plans. 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 and compliance departments, the BCP team, and, when appropriate, an external auditor.

We also conduct business impact analysis assessments on a rolling basis to evaluate how unexpected events may affect our operations. To ensure the effectiveness of our program, business units review and approve their business impact assessment annually to determine if updates are necessary. BBH's internal audit team provides an extra layer of oversight by conducting ongoing reviews and participating in BCP testing exercises.

ROUTINE SIMULATIONS AND TESTING

We conduct recovery tests annually, at a minimum, at three distinct levels—office, systems, and business unit recovery—with a broad scope of test objectives to provide our clients with assurance that their assets

and data are safe. Tests include application and systems contingency testing, by platform and system. Operational contingency testing includes structured walk-throughs of plans and the transfer of business processes from one BBH location to another.

We conduct periodic simulations across multiple teams responding to scenarios, including impacts to our buildings, our business, and cybersecurity threats.



"BBH maintains a robust BCP program for nimbly addressing unique business continuity events to ensure the viability of our business no matter the situation."

—Rick Berk, Partner



RAPID RESPONSE AND RECOVERY

We have structured our organization to minimize recovery times and continue providing 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, allowing employees from one department within the bank to serve another on short notice. Our employees receive extensive training to prepare them for a BCP event. New employees are trained when hired and existing employees must fulfill annual training requirements. Plan owners, planners, and Incident Management Team members receive

additional BCP tool training and participate in incident response simulations.

When BBH invokes a business continuity event, the BCP team activates the Global Crisis Management Team to centralize communication and coordination. The Global Crisis Management Team provides critical information and status updates to clients following a controlled and carefully managed protocol. Our client relationship teams serve as the primary contacts for communicating with clients and addressing questions.

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Planning Compliance				
% of lines of business with up-dated plans	100%	100%	100%	100%
Business Unit Planners	235	237	236	251
Business Unit Recovery Coordinators	159	158	159	127
Business Unit Plan Owners	109	107	N/A	N/A
Business unit specific plans	157	159	161	127
Employee Awareness & Training				
% Compliance with Mandatory Training	100%	100%	100%	100%

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Annual Recovery Tests – All Objectives Met				
Business Unit Recovery	Our employees across all business groups from our Ireland Office with contracted recovery seats worked from their designated BCP recovery site performing production work. ✓All test objectives were met.	BBH continued postponement of all 2021 Business Unit Recovery tests due to the global pandemic.	BBH postponed all 2020 Business Unit and Systems Recovery tests due to the global pandemic.	Our employees across all business groups worked from their designated BCP recovery site performing production work. ✓All test objectives were met.
Systems Recovery	Designed to simulate the loss of processing functions at our primary Data Center. These tests included systems, site, and operational contingency components. ✓All test objectives were met.	Designed to simulate the loss of processing functions at our primary Data Center. These tests included systems, site, and operational contingency components. All test objectives were met in all three test events. In 2021, we ran an extra Systems Recovery test following our data center relocation in July. ✓All test objectives met.	BBH postponed all 2020 Business Unit and Systems Recovery tests due to the global pandemic.	Designed to simulate the loss of processing functions at our primary Data Center. These tests included systems, site, and operational contingency components. All test objectives were met in both test events. ✓All test objectives met.
Remote Access Test	As we continue with over 80% of our staff working remotely (thus testing remote access and connectivity daily) due to the global pandemic, we have not resumed this test event in 2022. ✓All test objectives met.	As we continue with over 90% of our staff working remotely (thus testing remote access and connectivity daily) due to the global pandemic, we have not resumed this test event in 2021.	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. ✓All test objectives met.	All employees are asked to login remotely and attest to accessing their applications. ✓All test objectives met.
Communications Test	U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually. ✓All test objectives met.	U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually. ✓All test objectives met.	U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually. ✓All test objectives met.	U.S. GETS (Government Emergency Telecommunications Service) card holders test their access by making test calls at minimum, annually. ✓All test objectives met.
Notifications Test	Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation. ✓All test objectives met.	Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation. ✓All test objectives met.	Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation. ✓All test objectives met.	Designed to familiarize employees with our internal emergency communication system, BBHnotify, which is used to alert our employees to a situation. ✓All test objectives met.
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.	✓Test completed successfully; all test objectives met.	✓Test completed successfully; all test objectives met.



OUR PEOPLE

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LEADERSHIP AND TECHNICAL SKILLS



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

OUR APPROACH

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 shared 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.

While remote work created new barriers to employee engagement and career development, it also opened opportunities to scale learning programs to reach more employees while improving collaboration across the globe. We have adapted our core programs and technology to make them accessible and relevant to the realities of hybrid work. We look at leadership and technical training from every angle, from navigating the frustrations and adjustments of daily work life brought on by the pandemic and evolving office culture and expectations, to supporting employees in their long-term career development.

There has always been a relationship between employee well-being, diversity, equity, and inclusion, and exceptional leadership. Over the last few years, these priorities have become intrinsically linked and provide 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 to support BBHers throughout the arc of their careers — aims to help our employees grow both personally and professionally and be rewarded for the results they deliver.

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 opportunities for formal feedback and recognition.

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.

Talent Cards

The online Talent Card tool serves as employees' internal resumes, 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.

Boosting Self-Development with Mind Tools

In support of nurturing the ongoing development of our employees, BBH launched Mind Tools in 2020 — an on-demand learning platform that provides direct access to 2,000+ articles, videos, podcasts, and workbooks that offer 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 delivers diverse learning formats to cater to individual learning preferences.

Peer Learning Through Manager-to-Manager Mentoring Circles

The unique challenges of the pandemic and transition to a hybrid work environment magnified the critical role that managers play in supporting, engaging, and developing their team members, and — perhaps most importantly — reinforcing BBH values. Managing a remote 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.



"I appreciate the BBH Scholars Program because it encourages and funds dedicated full-time BBH employees, like myself, to continue building skills and knowledge related to our current roles. This program continues to support my journey in pursuing a CFA charter, which would have been financially burdensome otherwise given that I'm early in my career. Every day, I get to learn not only during work but also after, and I believe there is no better way to set myself up for success!"

*– Hiral Patel,
Senior Relationship Analyst*

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.

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 supports 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.

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 and ever-changing technology. 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.

JumpStart: How to Lead Others

Complementing our efforts to provide our managers with a framework for effective habits, BBH has continued to upskill new managers with our flagship training program for new managers, JumpStart. Through six self-paced modules, participants gained skills in the areas of setting expectations, motivating others, delegating work, giving feedback, developing others, and developing themselves. This year we had 261 BBHers enrolled into the program, with active coaching from 168 experienced managers.

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 perspectives, 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.

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 members, active and retired.

2022 REVIEW & HIGHLIGHTS

Retention & Engagement

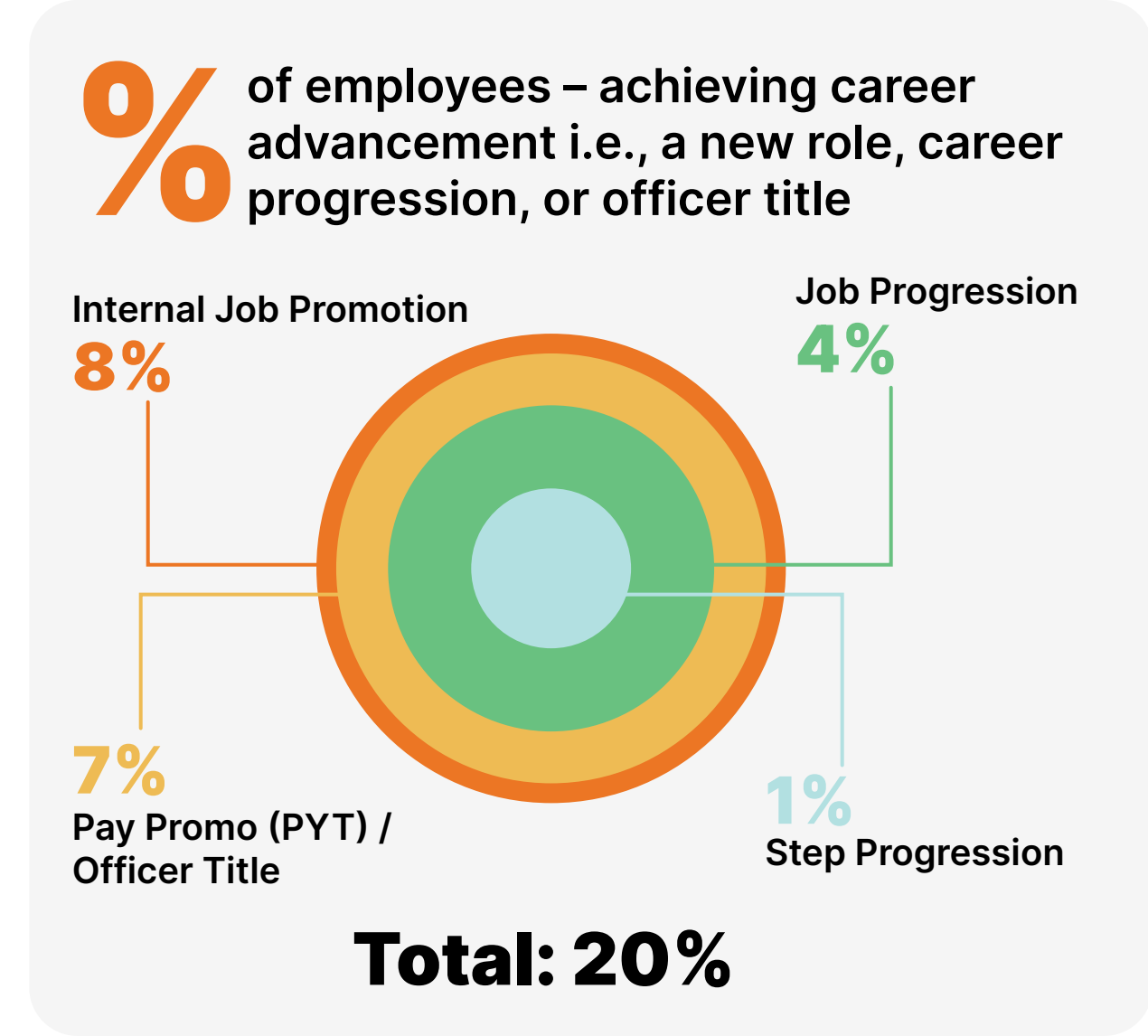
Leveraging research and insights from top authors and management experts, BBH launched an online resource in 2022 to guide managers through practical strategies to keep employees engaged and satisfied in their roles. Organized into three key employee engagement topics, this “choose your own adventure” resource provided quick insights, further reading, and an opportunity to deep-dive into the following areas: Appreciation & Recognition, Relationship & Belonging, and Feedback & Development.

JumpStart Live

To further supplement development opportunities for BBH's new managers, JumpStart Live was developed and launched in 2022 as an interactive, three-part virtual instructor-led supplement to the JumpStart program. These courses provided the opportunity to

collaborate with peers, ask questions and work through challenges many new managers face, while revisiting core JumpStart topics including:

- Building Relationships –covered conducting high-quality conversations to build trust and cultivate respectful relationships, as well as best practices for meetings with direct reports
- Getting Work Done –discussed clear goal setting, performance measures, using SMART communication to enhance team delivery expectations, and workload delegation
- Coaching and Giving Feedback –examined team growth and development, including giving timely feedback, feedback do's & don'ts, and coaching your team



KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Performance Enablement				
% of employees – performance review (with narrative)	85%	88%	88%	92%
Learning & Development				
% of BBH Scholars applications fully funded	100%	100%	100%	100%
% of employees – voluntary online and classroom learning	58%	66%	86%	46%
Growth Opportunities				
% of employees – achieving career advancement (i.e., a new role, career progression, or officer title)	20%	24%	20%	20%
% of roles filled internally	39%	24%	37%	21%
Career Transitions				
# of attendees – first-time manager program	261	198	223	107
Employee Input & Engagement				
% of employees – accessed BBH Academy	100%	100%	100%	100%

DIVERSITY, EQUITY, AND INCLUSION



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

OUR APPROACH

Our employees' different backgrounds, life experiences, and ways of thinking help us better understand each other and our clients. Our commitment to an equitable, inclusive, and collaborative culture, grounded in independent peer review, helps us avoid groupthink 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. Ultimately, seeking and supporting viewpoints that are informed by different experiences and perspectives leads to better risk management, innovation, employee experiences, and client outcomes.

As we look to the future of work, 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 DEI 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, 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 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), 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.

BANC Ambassadors

To further extend our 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.

Diversity Mentorship Program

The Diversity Mentorship Program provides students who identify as ethnically diverse the opportunity to learn more about a career in private banking while networking with professionals who provide guidance and support with resume building and interview preparation.



"Helping my child navigate being non-binary in a binary world taught me that none of us can go it alone. We all need support, and we can all continue to learn. When I was asked to join the Boston Pride leadership team this year as an Ally I jumped at the opportunity. I want to be there for other employees the way the Pride Network was there for me."

– JP Ryan, Assistant Vice President

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. These efforts help ensure more equitable representation throughout all levels of the firm.



BBH Pride Network, Boston Chapter



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, and Young Professionals Network.

Alternative and Hybrid Work Arrangements

BBH provides our employees with the flexibility to complete their job duties while promoting balance between work and personal commitments. Through a variety of hybrid and 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. Our Hybrid Work policy, which assigns a schedule of at least three days per week in the office and up to two days per week from home, is the default schedule for the majority of roles across the Firm where local jurisdictional requirements allow.

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 66 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.

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.

Driving Empowerment through Inclusive Leadership

All AVPs 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.

Mentoring Circles

Sponsored by our various BANCs, these mentoring circles 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.

10 NETWORKS
66 CHAPTERS

**BBH Affinity Network
Communities (BANC)**



"The BBH Women in Technology Community (WIT) was created to alleviate challenges that can arise from being the only woman in the room. The community brings together professionals of varying experience and tenure to learn from and support one another. Since its creation, the community has proven to be a success. I've seen great leadership and development opportunities presented to our members, which have in turn accelerated their careers."

- Sarah Holmes, Managing Director

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 drive employee development.

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 47.)

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.)

2022 Review and Spotlight

2022 was a year of learning. To help employees better understand and address unconscious bias and racism, we worked with strategic learning partners to create best-in-class content and increase access to workshops.

EMBRACING COMMUNICATION DIFFERENCES

In September, BBHers came together for a development opportunity that uncovered how our backgrounds can shape ways we interpret interactions and strategies to anticipate, manage, and recover from conflict. The session shared how being aware of your own background and emotional state can help you better understand how you are interpreting inputs compared to others. Factoring in empathy, exploring alternate perspectives, noticing what is working, and using kindness to solve problems are all key skills in communicating across differences. Those in positions of power can build stronger, more inclusive relationships and promote diversity by learning to recognize, value, and adapt to different communication styles, reducing the burden for others.

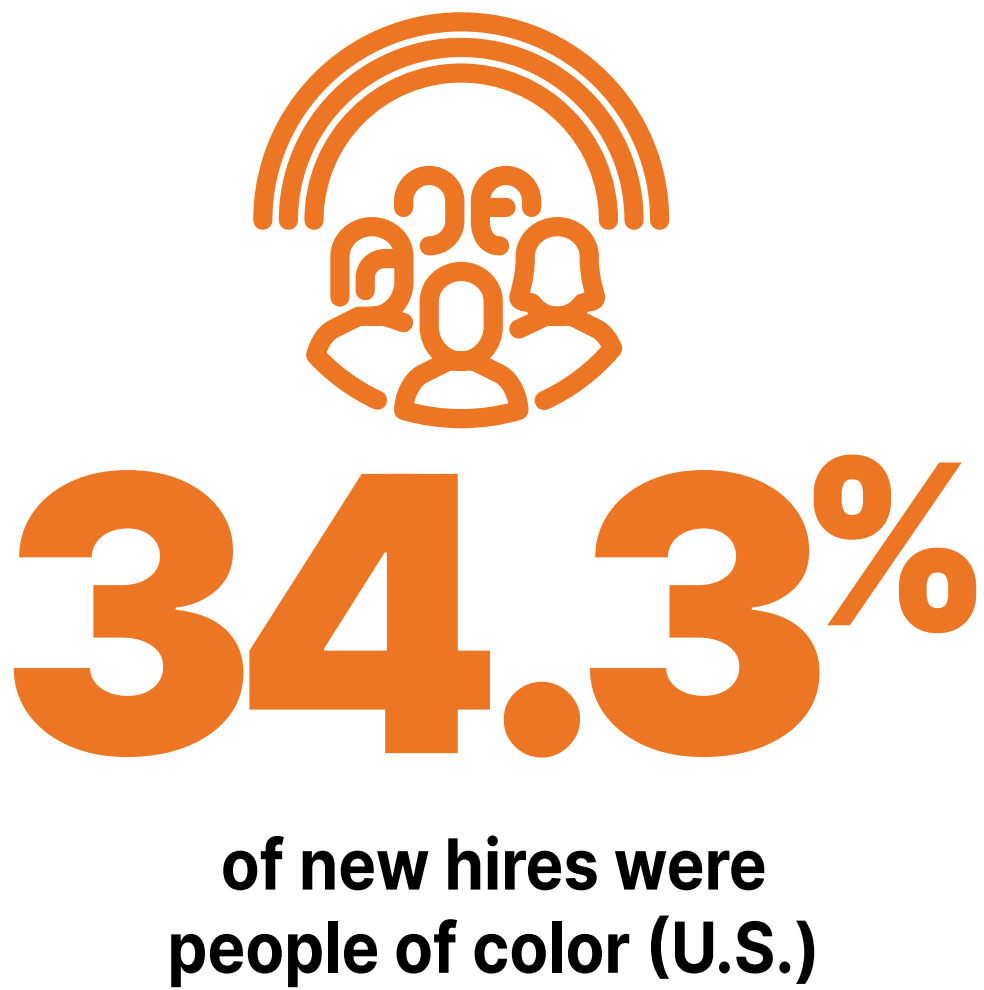
UNDERSTANDING INTERSECTIONALITY

In 2022, we partnered with Lyra to host a series of workshops to increase awareness and understanding of the complexities within social identities and importance of acknowledging our unique lenses. The workshops addressed the challenges that can arise when navigating intersectionality, such as gender, sexuality, disability,

and religion. The series challenged everyone to consider ways they may define their “truth” that may be exclusive, isolating, and incomplete based on a salient identity.

NAVIGATING THE IMPACT OF BLACK FATIGUE

Our Black Affinity Network (BAN) kicked off Black History Month with an event focused on combating Black Fatigue — the prolonged emotional, physical, and psychological impact resulting from implicit bias, microaggressions, or racialized trauma. The interactive session discussed critical elements that impacted people of color, such as internalized oppression, effects of high effort coping, and unmitigated stress linked to staggering fatigue.



BBH kicks off our Hispanic Heritage Month with renowned poet and novelist Javier Ávila’s one-man show, *The Perfect Latino*

2022 Review and Spotlight (continued)

DISPELLING MYTHS SURROUNDING ASIAN LEADERSHIP

Our Asia Link Network (ALN) partnered with Ascend to host a learning session on the misconceptions about Asian professionals, the impact of Asian culture on leadership styles, and nuances between Western and Eastern leadership practices.

The session explored some of the cultural influences reflected in behaviors that can at times be misunderstood and impede professional growth and advancement. Traits such as respect, deference to authority, harmony, humility, education, hard work, and an emphasis on family are deeply rooted in Asian values. However, it is these traits that can position Asians as the model minority race, which masks the challenges and biases that Asian Americans face in the workplace. Participants left with strategies to overcome these types of stereotypes while being true to oneself.

BREAKING THROUGH BIAS

BBH launched a new firmwide development program exploring the role bias can play in keeping individuals from being open to change and new ideas. Through the framework provided, participants learned to identify and understand bias, why it occurs, and how to adapt, educate, and engage when they experience it. Each learning scenario focused our attention on how our biases can show up in moments of change and the power of your mindset in overcoming implicit assumptions.

RAISING THE BAR

We continue to partner with external organizations to supplement our learning and we participate in benchmarking surveys to track our progress relative to best-in-class organizations. In 2022, we were pleased to once again be named a “Best Place to Work” by the Disability Equality Index (DEI) and the Human Rights Campaign Foundation’s Corporate Equality Index (CEI) for LGBTQ inclusion. We were also recognized on Seramount’s lists of the “2022 Best Companies for Dads” and “Executive Women,” which recognizes forward-thinking workplace programs in the areas of championing the advancement of women, gender-pay parity, parental leave, family support, job flexibility, and more.



Fly Girl, Women's Network Boston



BBH Pride Run, Luxembourg



Employees celebrate Diwali with Henna painting



Black Affinity Network Career Leadership Panel



Annual ping pong tournament during Lunar New Year celebrations



“When you rewire your brain to be consciously unbiased, you naturally become more open to all sorts of people and experiences that will greatly enrich your journey through life. The evolution may be gradual or come quickly. But by making small conscious incremental changes every day, you can retrain your brain to habitually think and behave in new ways.”

– **Adrien Whelan**,
Senior Vice President, Head of
Regulatory Intelligence

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Hiring				
% of new hires: Female	42.8%	45.8%	51.3%	46.9%
% of new hires: People of Color (U.S.)	34.3%	34.0%	39.1%	37.0%
Employee Composition By Gender				
% of employees: Female (all levels)	46.6%	46.6%	46.2%	45.3%
% of employees: Female (entry level)	51.3%	51.7%	51.5%	50.3%
% of employees: Female (mid-level)	41.3%	40.7%	40.0%	39.3%
% of employees: Female (senior level)	32.3%	32.0%	30.3%	29.4%
By Race (U.S.)				
% of employees: People of Color (all levels)	32.4%	32.2%	31.8%	30.4%
% of employees: People of Color (entry level)	38.6%	39.0%	38.2%	35.8%
% of employees: People of Color (mid-level)	29.6%	29.2%	28.8%	27.7%
% of employees: People of Color (senior level)	15.7%	15.4%	15.0%	14.9%
By Age				
% of employees: Under 30 years old	24.4%	23.6%	25.1%	26.7%
% of employees: 30–50 years old	56.9%	58.7%	58.3%	60.0%
% of employees: Over 50 years old	18.6%	17.7%	16.5%	15.3%
Retention by Gender				
Retention rate: Male employees	81.1%	82.7%	89.2%	85.0%
Retention rate: Female employees	83.6%	84.1%	89.9%	85.5%
Retention by Ethnicity (U.S.)				
Retention rate: White	82.3%	84.0%	88.3%	88.5%
Retention rate: People of Color	80.4%	83.0%	91.4%	87.7%
Community Building				
Size of BBH Affinity Network Communities (BANC)	10 Networks; 66 Chapters	10 Networks; 65 Chapters	10 Networks; 65 Chapters	10 Networks; 65 Chapters
# of large scale BANC events	64	90	59	125
Training				
Breaking through Bias/Inclusive Leadership Training	76 (pilot)	N/A	2,163	150 (pilot)
Manager Competency Based Interview Training	70	134	318	107
% of Compliance: Sexual Harassment Training	100%	100%	100%	100%

EMPLOYEE WELL-BEING



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

OUR APPROACH

We believe that the well-being of our businesses cannot be separated from the well-being of our employees. Our global well-being program, Thrive, provides education, support, and incentives that help employees make positive lifestyle choices and better long-term decisions—physically, financially, and personally. And because well-being can mean different things to different people at different stages in their lives, our program 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.

In 2022, some of our highest-priority areas included: mental health, household support, physical engagement, addressing race-based traumatic stress, and educational initiatives that fostered empathy and compassion. Each approach required an inclusive lens to ensure our solutions met the diverse needs of our workforce.

CORE PROGRAMS, POLICIES, & PRACTICES

The lines between well-being, thoughtful leadership, and inclusion often overlap. 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 communities.

THRIVE FINANCIALLY

Compensation Philosophy and Practice

BBH structures its compensation programs to be market competitive through a total compensation philosophy—salary (base pay or fixed pay) and discretionary bonus (variable incentives). BBH distributes rewards to employees based on firm, line of business, 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 fairly set pay for comparable work and reward based on performance.

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.

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.



\$120K
Grants made by our
Employee Relief Fund



87
Wellness events
globally

I have been a Thrive participant and Champion since its inception. How lucky BBHers are to have such a wonderful platform to make sure we are maintaining a healthy life-style! During the pandemic, it was so nice to connect with my co-workers through the platform's weekend walking challenges.

Now that we are in the office again, I enjoy promoting Thrive with fun in person events. These events allow us to get to know new colleagues that we were unable to meet during our time in an entirely work from home environment. Engaging with one another is key to our mental health as well, which is one of the other pillars of Thrive.

– Karen Zambrano,
Executive Assistant



THRIVE PERSONALLY

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. In 2022, we were motivated to provide a deeper and more meaningful experience to our employees that emphasized a sense of connectedness in opportunities and benefits. In addition to the many events and communications we provide our employees, BBH offers an Employee Assistance Program, which provides private coaching and counseling sessions, as well as group events such as yoga and relaxation workshops.

Adoption and Surrogacy Assistance

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.

Back Up Childcare

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

THRIVE PHYSICALLY

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. In 2022, we had 49% of BBH staff enrolled in our Virgin Pulse programming and regular engagement from 37% of our staff globally.



2022 REVIEW AND SPOTLIGHT

Removing Barriers to Improving Mental Health

We used the lessons from 2020 and the opportunities of 2021 to take action to further destigmatize mental health and create an environment where people were more comfortable talking about their emotional, psychological, and social well-being. We held approximately 87 events (both local and global) around the topics of employee well-being and continued our global #LetsTalk campaign targeting employee and family health. We held our 3rd annual #LetsTalk week with a four-part series featuring panelists, employees, and outside professionals dedicated to topics such as children and anxiety, grief, mental health, stress and navigating uncertainty.

We also use Lyra, an online platform that 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 issues, such as stress, anxiety, depression, or sleep disorders.

For our efforts, BBH maintained the Platinum Bell Seal of Workplace Mental Health. Mental Health America’s (MHA) Bell Seal for Workplace Mental Health is a national certification program to recognize employers committed to creating mentally healthy workplaces. BBH also received two designations from the Business Group on Health: “2022 Best Employers: Excellence in Health & Well-Being” and “2022 Best Employers: Excellence in Mental Health.”

Mindful Exploration Step Challenge

In June 2022, more than 200 BBH teams joined together to stay physically fit in a collective virtual journey around the world with our 2022 Global Step Challenge. 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. Our annual challenge has been an especially important component of fostering a strong sense of community for BBHers around the globe.

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.

BBH HERO SCORECARD RESULTS*

	United States			Europe	
	BBH Score	National Average	Max # of Points	BBH Score	Max # of Points
Section 1: Strategic Planning	34	30	50	12	20
Section 2: Organizational & Cultural Support	54	26	60	45	50
Section 3: Programs	18	11	20	24	40
Section 4: Program Integration	15	8	20	3	16
Section 5: Participation Strategies	29	14	30	33	50
Section 6: Measurement & Evaluation	20	12	20	13	24
Total Score	170	101	200	130	200

*Methodology varies by region

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Result	2019 Result
Wellness Engagement				
# wellness events – global total	87	135	75	90
% employee participation in online wellbeing platform	49%	49%	51.4%	56%
Employee Support				
The Undergraduate Fund – year of report	9 undergraduate scholarships (\$33,855)	25 undergraduate scholarships (\$74,650)	24 undergraduate scholarships (\$71,250)	20 undergraduate scholarships (\$70,800)
Employee Relief Fund – year of report	13 new grants (\$119,718)	5 new grants (\$48,417)	12 grants (\$112,737)	11 grants (\$150,925)
Employee Relief Fund – since inception (2012)	103 grants (\$804,464)	96 grants (\$684,746)	92 grants (\$641,328)	79 grants (\$523,600)





OUR COMMUNITIES

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45 COMMUNITY ENGAGEMENT
48 SUPPLIER SOURCING

ENVIRONMENTAL RESPONSIBILITY



GOAL: Support environmental sustainability by reducing our emissions and resource consumption throughout our facilities and operations

OUR APPROACH

Here at BBH our offices are an extension of our culture. The guest, client, and employee office experience should be reflective of the thoughtful and responsible way we service and deliver our products. As a financial services company, our greatest impact on the environment is the operation of our 1.4 million square feet of office space in our 17 global locations. How we build and outfit the offices, how those offices collectively consume resources, particularly electricity, and how our employees behave day-to-day add up to significant change.

BBH looks at the sustainability of our facilities from many different angles, from top-down decisions on office location and design, to resource use and programs focused on individual behaviors such as educating our employees on good practices and habits that will have a lasting effect on the planet.

CORE PROGRAMS, POLICIES, & PRACTICES

Central Facilities Management

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

LEED and BREEAM Certification

When updating or building new office space, we follow 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, Dublin, Krakow, London, Luxembourg, and Zurich offices use renewable energy sources and/or renewable energy credits to offset associated greenhouse gas emissions.

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

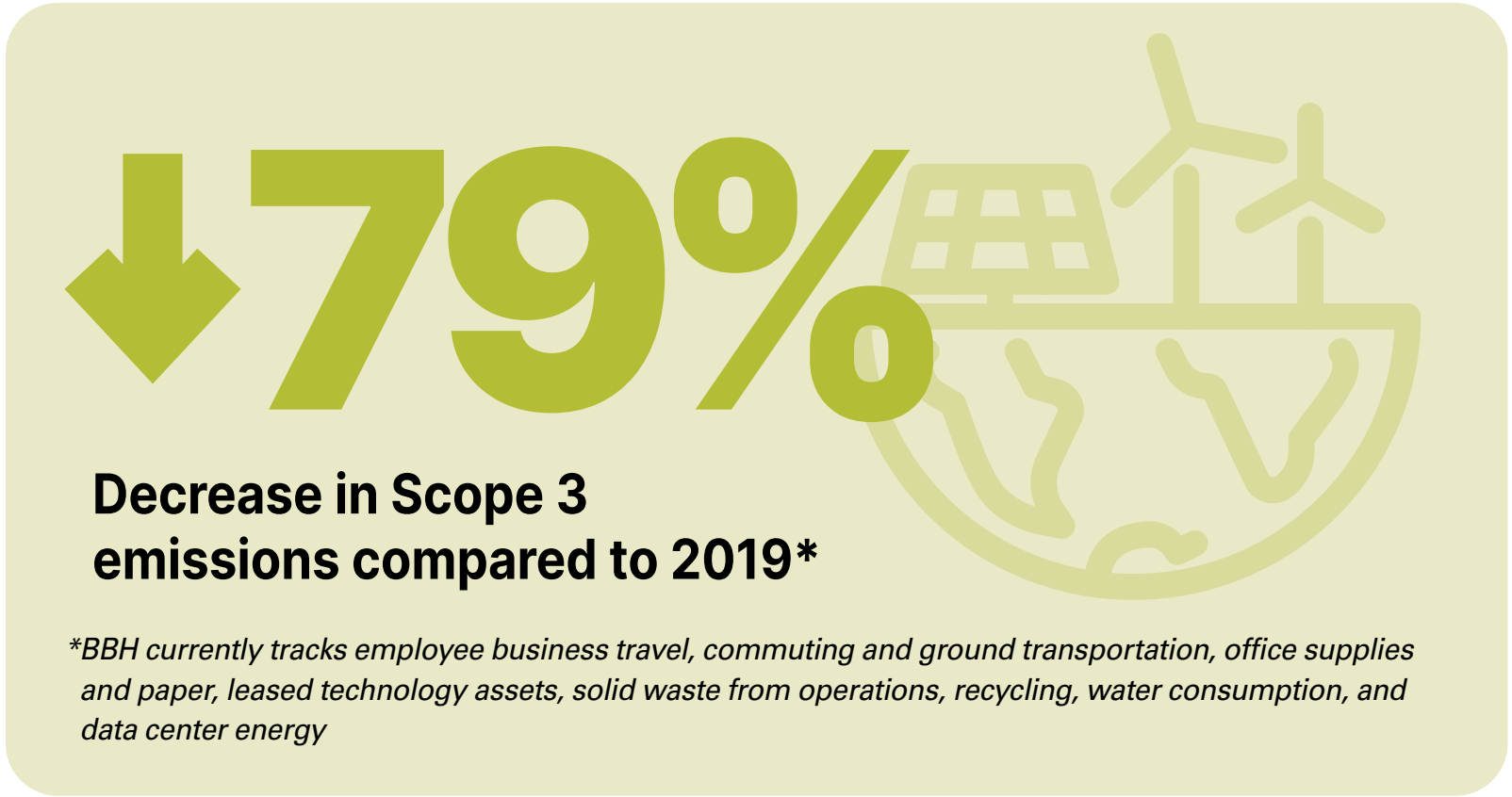
At our newer sites, we installed Variable Frequency Drives (VFD) as part of our heating, ventilation, and air conditioning (HVAC) system. With VFDs, HVAC systems can be adjusted more finely and run according to demand, rather than constantly running indiscriminately.

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 efforts.

Recycling and Shredding Program

Working with our landlords and local communities, we maintain recycling and shredding guidelines for our business units and employees to follow. Protecting our clients’ 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 office participates in local programs.

Plastic Use Reduction in Our Amenity Spaces and Cafes

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

Environmental Sustainability Champions

Our employee network of Sustainability Champions helps spread our environmental message and influence change by providing grassroots support to identify and promote environmental improvements. Our Champions help their fellow employees make changes more easily and effectively than a top-down mandate could on its own. In recent years, their efforts helped set new cultural norms for communal trash cans, reusable coffee mugs and water bottles, paperless meetings, elimination of plastic bottles in our vending machines, and more.

Travel Impact Reductions

Travel comes second only to facilities management when considering BBH's direct impact on the environment. Key investments in meeting technology, including Zoom and other video conferencing services, allow us to be more selective when choosing travel. While in-person meetings will remain a cornerstone to serving our clients, as well as leading our cross-region teams, we encourage 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.

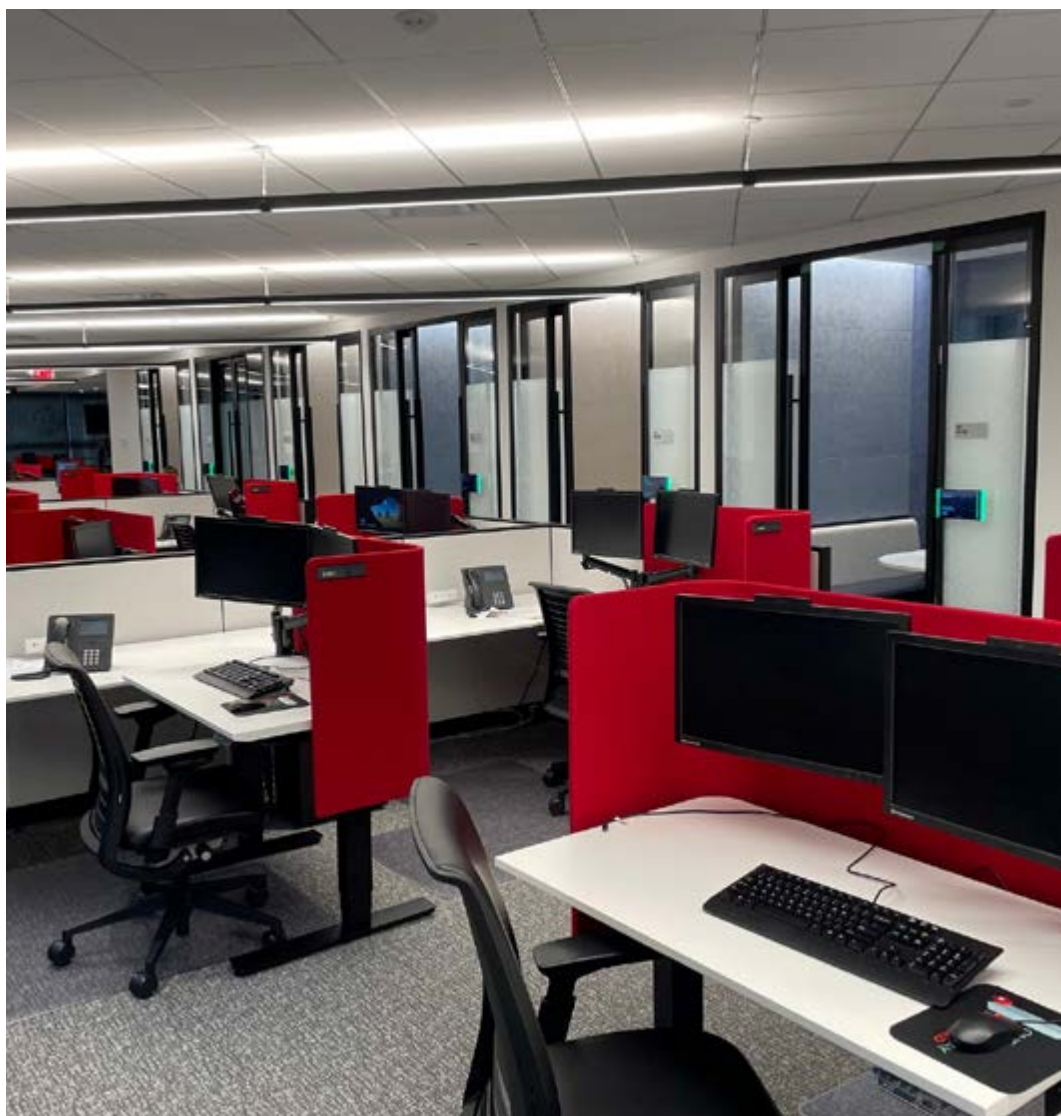
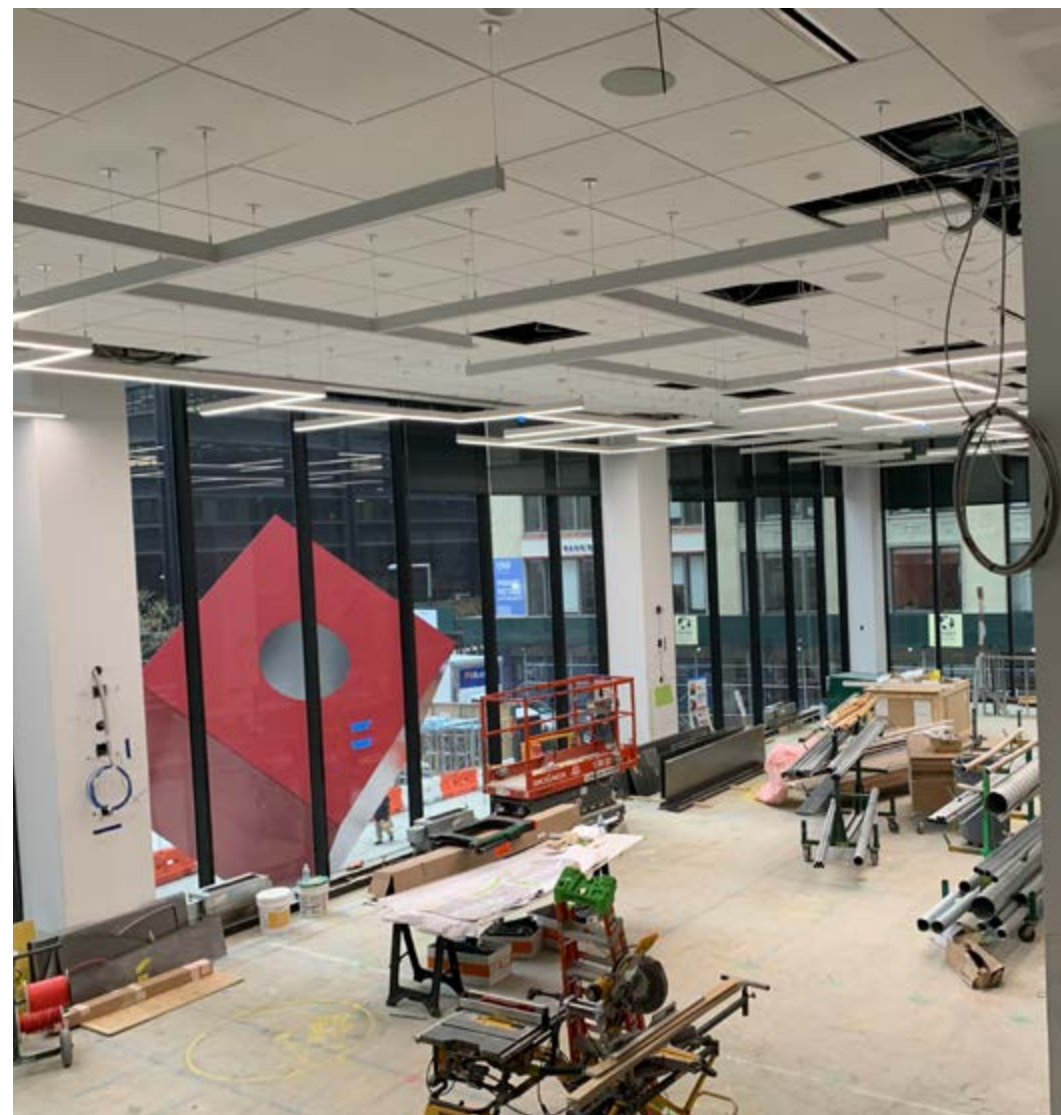
Employee Education and Awareness

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 site 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.



“Operating our facilities efficiently is more than just shutting off lights when not in use. We spend a tremendous amount of time planning and working on infrastructure upgrades that have sustained reductions of greenhouse gas emissions. We continuously look for ways to reuse materials, reduce our consumption of items that end up in landfills, and ask our employees to be part of the process through their own use and interaction with our office spaces. We want them to be fully invested in this journey to lessen our impact on the planet.”

*– Michael Dow, Senior Vice President,
Enterprise Service Management*



2022 REVIEW AND SPOTLIGHT

NYC Office Renovation

Construction of our headquarters was completed in 2022 with sustainability at its core. We strove to limit the amount of material disposed of in landfills and found ways to repurpose, refinish, re-engineer, and reuse signature aspects of the building's furnishings. The total amount of debris removed from the project was 263.23 tons, of which we diverted 67% (176.89 tons) from the landfill. We partnered with two local furniture companies to re-engineer approximately 600 workstations and keep them from going to landfills. In addition, all lighting in the office — like all our offices — has been replaced with energy-efficient LED bulbs; a change that is expected to result in a 43% reduction of the office's monthly electrical consumption. Many of our hard surfaces, such as bathroom vanities and sinks, were kept in place, with new wall finishes and lighting to refresh the space while limiting what was sent to landfill.

BBH was also able to negotiate with its landlord to replace steam energy/chillers with electric units and commit to adopting UV films on all exterior windows. While these changes may not seem significant, they can have a material effect on the emissions of a building over time. Electricity is nearly 15% more efficient than steam, and UV films as a passive technology reduce energy needs for heating and cooling. The New York office has submitted its application for a LEED Gold rating.

GHG Emissions Analysis In 2022

We continued our practice of conducting an annual greenhouse gas (GHG) emissions inventory by working with the consulting firm Sustridge to identify our Scopes I, II, and III emissions. In late 2022, funding was approved to acquire a new inventory management system called NorthStar Carbon Management. The new system, based on the Green House Gas protocol principles and emissions factors, was used to produce this year's analysis. We are pleased that we continue to show progress toward reducing our emissions.

Employee Engagement

Employees at BBH are interested in doing their part to support sustainable operations. Upon their return to the office, employees were enthusiastic to see reusable items in the amenity spaces, compostable alternatives, and no plastic single use bottles in the vending machines. Educational articles on various topics germane to BBH and individual employees continued to be published throughout the year, with several co-authored by our Sustainability champions.

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
Firm-wide Facilities Management				
Industry Certification				
LEED	Boston (Silver - 2013)	Boston (Silver - 2013)	Boston (Silver - 2013)	Boston (Silver - 2013)
	Dublin (Gold -2014)	Dublin (Gold - 2014)	Dublin (Gold - 2014)	Dublin (Gold - 2014)
BREEAM	Krakow (2014)	Krakow (2014)	Krakow (2014)	Krakow (2014)
Resource Consumption				
kWh use – total across sites with > 100 employees	8,124,532 (↓ 49%)	9,575,630 (↓ 39%)	11,842,187 (↓ 22%)	15,202,737
kWh use – per ft²	7.5 (↓ 35%)	7.8 (↓ 33%)	8.8 (↓ 24%)	11.6
% of total kWh consumption generated by renewable sources or offsets	49% (↑ 2%)	72% (↑ 50%)	83% (↑ 73%)	48%
Paper Consumption (millions of pieces)	2.4 (↓ 86%)	1.5 (↓ 91%)	4 (↓ 76%)	16.5
Travel				
CO² attributed to BBH travel – air (total tonnes)	723 (↓ 86%)	450 (↓ 92%)	579 (↓ 89%)	5,049
CO² attributed to BBH travel – air (tonnes per FTE)	0.13 (↓ 86%)	0.077 (↓ 91%)	0.096 (↓ 89%)	0.9
Education				
# of articles published internally	8	15	11	N/A
Total Scopes				
SCOPE 1 Total Emissions	514 CO₂e (mt) (↓ 45%)	347 CO ₂ e (mt) (↓ 63%)	766 CO ₂ e (mt) (↓ 18%)	938 CO ₂ e (mt)
SCOPE 2 Market-Based Emissions (CO ₂ e mt)	2,677 CO₂e (mt) (↓ 38%)	1,969 CO ₂ e (mt) (↓ 55 %)	1,522 CO ₂ e (mt) (↓ 65%)	4,328 CO ₂ e (mt)
SCOPE 2 Location-Based Emissions (CO ₂ e mt)	3,218 CO₂e (mt) (↓ 41%)	3,473 CO ₂ e (mt) (↓ 37%)	4,395 CO ₂ e (mt) (↓ 20%)	5,466 CO ₂ e (mt)
SCOPE 3 Total Emissions (CO ₂ e mt)	5,302 CO₂e (mt) (↓ 79%)	5,418 CO ₂ e (mt) (↓ 78%)	12,707 CO ₂ e (mt) (↓ 51%)	25,720 CO ₂ e (mt)

Note: percent changes are compared to the 2019 baseline.

COMMUNITY ENGAGEMENT



GOAL: Increase the reach of our community engagement program, BBHcares.

OUR APPROACH

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 necessities 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 thinking skills 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.

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

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, such as website development or 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 through our BBHcares program, subject to their manager's discretion. In addition, employees are also afforded a paid Community Service Day to support organizations or programs important to them.

Central Events Calendar and Communications

We advertise all activities on a central corporate calendar and through office wide emails. Activities are also highlighted by senior leaders during Town Halls and other high-level meetings. Volunteer events are

scheduled at a variety of times with varying frequency and differing populations to create the most opportunities for employees to participate. The Firm celebrates volunteer impact monthly through the internal newsletter and with top billing on the home page of the intranet.

BBH Community Giving

Employee fundraising happens across our European and Asia offices at various times throughout the year, with a focus on supporting our charitable partners. In the U.S., a voluntary employee contribution campaign, powered by the United Way, occurs annually and complements our 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 for employees to communicate their service interests to like-minded individuals.





"Our BBHcares program evolves with the world around us and enables BBHers to focus on local needs that drive global change. As refugees flowed into Poland, our team in Krakow jumped into action to provide shelter and supplies. Moreover, employees in all locations responded with in-kind and financial support for those in need."

- Page deGregorio, VP Philanthropy, Community, and Employee Engagement



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. Many of our employees are also asked by partner charities to serve on boards, young leader councils, and friends committees. These engagements deepen our volunteer and financial commitments with local organizations. 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.

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 defray some of the costs and basic living expenses associated with a catastrophic event or unforeseen emergency.

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.

2022 REVIEW & SPOTLIGHT

Many of the virtual volunteer programs launched in 2020 and 2021 continued to broaden volunteer horizons for BBHers by removing geographical barriers and strict time commitments. At the same time, individuals and teams eagerly returned to schools, build sites, community centers, and other charitable partners in 2022. Our in-person volunteer projects offer a unique forum for employees to connect with one another and understand the specific challenges facing their communities.

Our new hybrid volunteer model expands our program possibilities and encourages employees to suggest additional innovative ways we can lend our time and skill to those in need.

GLOBAL REFUGEE SUPPORT

Responding to Crisis

In February 2022, the Polish border provided a safe harbor — shelter, food, medical care, and other necessities — to hundreds of thousands of individuals and families displaced by the war in Ukraine. Immediately, employees in our Krakow office dedicated their Community Service Days, evenings, and weekends to gather, organize, and deliver supplies to the Poland-Ukraine border, offer transportation for refugees to train stations, and provide temporary housing located in city centers. Several BBH employees opened their homes to refugee families.

Giving

As BBHers opened their homes to refugees from Ukraine, the outpour of assistance from BBHers across the globe followed. Within days, a Humanitarian Support page was launched on BBH’s intranet as a centralized hub for employees to find the best ways to lend a hand. In addition to making financial contributions to the International and Polish Red Cross, World Central Kitchen, and Médecins Sans Frontiers, BBH employees wanted to do more. Locally, charitable organizations and the City of Krakow could not keep up with clothing donations, however, toiletries, bedding, cleaning products, and other critical items were desperately needed. To get these items to those in need, BBH employees from Krakow, Luxembourg, and cities in the United States compiled a list of the most urgently needed items and built wish lists on two online retail platforms in Krakow.

Volunteering

Tens of thousands of US dollars’ worth of toiletries, bedding, and new socks and underwear were shipped to our office in Krakow where teams of volunteers diligently sorted and packaged items and delivered them to refugee centers in the city. Volunteers from the office also spent hours sorting and distributing clothing and food, registering refugees, cleaning and organizing sleeping shelters, providing information to refugees at the train station, and helping carry luggage to and from the trains. As refugees resettled beyond Poland, employees in Luxembourg dedicated time to local organizations and gathered gently used furniture, baby carriages, and more for families restarting their lives in a new city. To ensure donated items were helpful and not hindering efforts, each wish list was updated on a weekly basis to reflect the items most urgently needed.

Hosting

As employees across BBH saw colleagues in Krakow open their homes to strangers in need, they offered further financial support for colleagues whose family units had expanded overnight. A separate fund was established to help BBH hosts purchase additional desks for children so homework would be done, additional school fees would be paid, or other simple necessities were provided.

A core part of BBH culture is to come together and solve complex and often global challenges. This spirit carries through to our community engagement efforts. Whether business or community, BBH employees rally to make an impact in the areas in which we work and live.

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
# Total Volunteer Hours	1,725 hrs	1,330 hrs	2,300 hrs	8,500 hrs
Community Giving (Firm donations, Employee Giving Campaign, and BBH Employee Relief Fund Donations)	\$2.5 million	just over \$2 million	\$4.72 million	\$4.076 million
Annual Charitable Partners	149	123	153	133
Employees who Serve on Charitable Boards	308	272	320	225
Employee Relief Fund – year of report	13 new grants (\$119,718)	5 new grants (\$48,417)	12 grants (\$112,737)	11 grants (\$150,925)
Employee Relief Fund – since inception (2012)	109 grants (\$804,472)	96 grants (\$684,754)	92 grants (\$636,337)	79 grants (\$523,600)

SUPPLIER SOURCING



GOAL: Conduct comprehensive screening on ESG factors and maintain a Supplier Code of Conduct for material supplier contracts and renewals

OUR APPROACH

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, 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. We enhanced our ESG screening and maintain a Supplier Code of Conduct (the “Code”) to provide further clarity as to how BBH holds its suppliers accountable for ESG risk and sustainable business practices. As of January 2020, BBH requires all suppliers who meet a materiality threshold to commit to the Code.

CORE PROGRAMS, POLICIES, & PRACTICES

BBH continues to expand its 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, Process, and Oversight

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 on-boarding, 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. 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 confirming the appropriate level of due diligence is conducted before we agree to a supplier engagement. The risk review process also includes a screening for material ESG risk factors.

Supplier Code of Conduct

All BBH suppliers that 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 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 protect the confidentiality, integrity, and availability of BBH and client data when using a supplier. The VTA includes a risk analysis to determine if the supplier has appropriate IT controls in place, that contractual requirements are considered, and that the supplier and BBH monitor those IT controls for the life of the relationship.

ESG and Sustainability Screening

BBH asks 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.



“As our environmental and societal impact extends beyond what happens within BBH’s walls, we seek to work with ethical and sustainable companies to ensure we act as a good steward for the planet while protecting our business.”

– Dan Becker,
Managing Director,
Chief Compliance Officer



2022 REVIEW AND SPOTLIGHT

After launching our Supplier Code of Conduct program in early 2020, our vendor management team received signed copies of the Code (or equivalent) from 115 new vendors that met the materiality threshold and those existing vendors that went through regularly scheduled reviews. In 2021, 24% of new vendors met the threshold, and 59 new or existing vendors committed to the Code. This leveling off continued in 2022, as 26% of new vendors met the materiality threshold and 17 new or existing vendors committed to the code. The trend is as expected and is a sign of the maturation of our program.

KEY INDICATORS

Indicator	2022 Results	2021 Results	2020 Results	2019 Results
# of suppliers contracted	2,456	2,100	2,700	1,800
# of suppliers assessed by the Vendor Technology Assessment — 3-Year Rolling View	234	185	167	150
% of total spend: new suppliers who meet materiality threshold for ESG screening	26%	24%	91%	94%
# new supplier signatures to BBH Supplier Code of Conduct (or equivalent)	17	59	115	n/a*

* program launch January 2020



OUR FIRM

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INTEGRITY

55 RISK EXCELLENCE & COMPLIANCE

GOVERNANCE

This section addresses the firm’s approach to 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 the report sections on Supplier Code of Conduct (page 45), ESG Considerations and Sustainable Investing (page 12), and Community Engagement (page 47).

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 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	78

As of December 31, 2022



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 breadth 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.

Business Ethics and Professional Integrity:

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

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



"Strong governance and control frameworks are foundational at BBH. Our governance framework—coupled with strong risk culture—brings transparency into how risk is managed and ensures that all BBHers understand our shared values and know to act as risk managers in their day-to-day roles."

*-Elizabeth Rand,
Managing Director, Head of Risk*

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.

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 and Compliance

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 the firm's 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, excellence, and sustainability). 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' ongoing 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, 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 shifting environmental, social, and governance factors, evolving regulatory expectations, emerging technologies, and internal and external threats including geopolitical, social, and market considerations.



Man Yee Building, Hong Kong

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
- **Credit/Counterparty Risk** – Risk resulting from financial or operational exposure to counterparties, customers, and vendors
- **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 our use of technology, 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** – Risk of workforce issues impacting the delivery of business outcomes and outputs, including potential unethical employee behavior

2022 From a Risk Manager’s Perspective

2022 saw us start the transition from a majority of BBHers working from home — necessitated by the COVID-19 pandemic — to a hybrid work environment where some of our global employee base started returning to our offices. As our hybrid work life evolved, so did our focus on business interruption mitigation tactics, scenario planning, and integration and coordination with the BCP, Anti-Fraud, Cybersecurity, and Human Resources teams to ensure workforce and operational resiliency. We also had to assess and respond to the rapid rise of inflation and interest rates as well as global geopolitical situations, such as the Russian invasion of Ukraine in March of 2022. All this work was done against the backdrop of an increased pace and volume of regulatory changes in our industry and the world, including an increased focus on the risks associated with Cybersecurity, ESG, and Climate Change.



Kotohira Tower, Tokyo



Park House, London



One Logan Square, Philadelphia

Thank you for reading our report. We welcome your thoughts and observations as we feel feedback is key to our progress.

✉ sustainability@bbh.com



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