

# ENVIRONMENTAL, SOCIAL & GOVERNANCE: ESG at Loomis Sayles



## MISSION

At Loomis Sayles, our goal is to deliver superior long-term risk-adjusted returns and effective investment solutions to meet our fiduciary duty to our clients.

Environmental, social and governance (ESG) considerations contribute to this goal, and are important to the firm's culture, the global economy, financial markets, and society at large. ESG considerations are inherently part of our investment decision making, as Loomis Sayles generally takes a long-term view in seeking value.



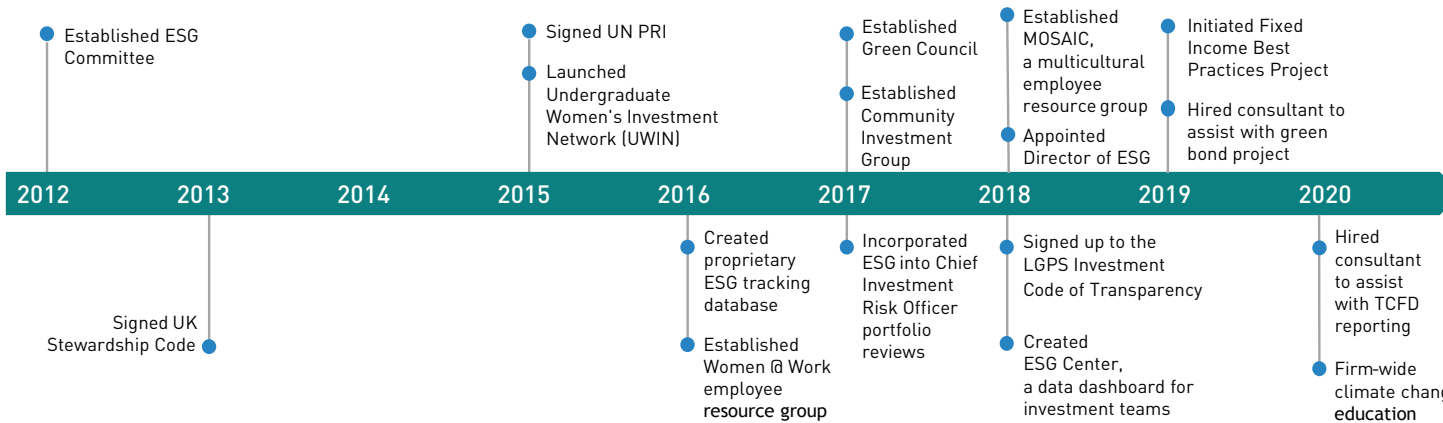
OUR ESG INITIATIVES FALL INTO THREE GENERAL CATEGORIES

ESG initiatives range from those that impact our operations internally, to how we address our clients needs.



RECENT INITIATIVES

Our investment teams have always considered what they believe are the material drivers of performance within their analysis, and that includes the material ESG factors. We have taken a more formal approach to incorporating ESG since 2012 with the establishment of our ESG Committee.



As of 12/31/2019.



STRATEGIC DECISION TO EMBED ESG THROUGHOUT THE ORGANIZATION

At Loomis Sayles we made the strategic decision not to have a centralized ESG team, but instead to have the ESG work embedded throughout the firm.

The ESG committee structure includes:

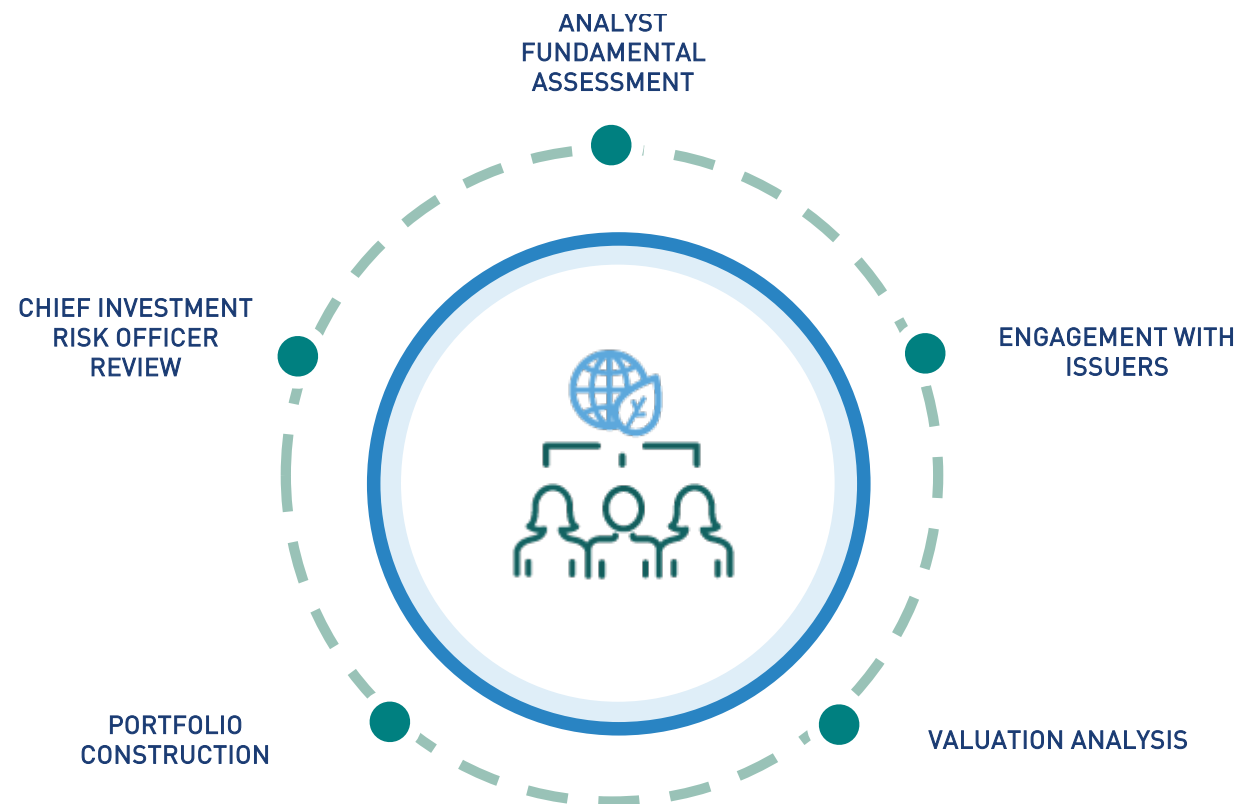
- The ESG Advisory Board, which approves major ESG policies and initiatives
- The ESG Committee, which is a subcommittee of the Loomis Sayles board's Risk Management Committee
- The ESG Committee as a working group for ESG initiatives
- ESG Subcommittees, which are led by Working Committee members. Subcommittees currently include Best Practices, PRI, Marketing, Technology and Climate Change.





## AT LOOMIS SAYLES ESG CAN BE INTEGRATED WITHIN ALL STEPS OF AN INVESTMENT PROCESS

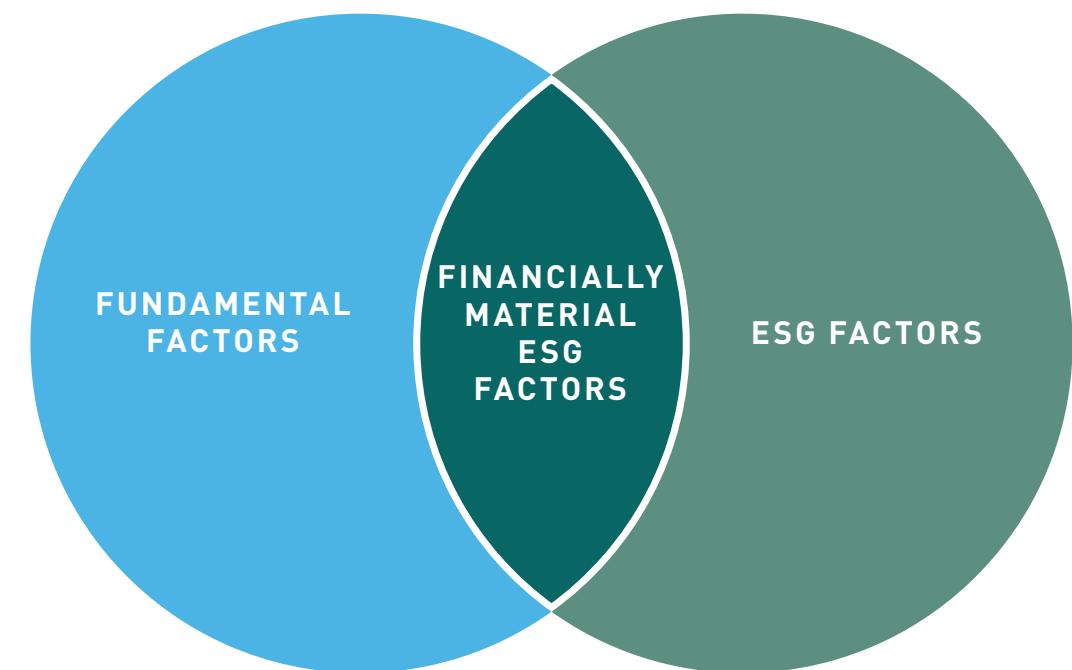
We do not subscribe to a single investment process. Each investment team considers ESG integration according to its investment philosophy.



## DEEP PROPRIETARY FUNDAMENTAL RESEARCH ACROSS ASSET CLASSES INCLUDES ESG FACTORS

- Our analysts strive to develop a thorough understanding of an issuer's track record, governance, management strength and strategy, its use of, and impact on, human and natural resources, as well as regulatory and political risks.
- We draw on discussions with company management teams and sovereign officials regarding ESG issues, as well as subscribing to and utilizing third party ESG Research.
- Analysts develop independent views of material factors impacting fundamentals in their valuation assessments of equity, credit, sovereign, municipal, and securitized assets.

## WE FIND THAT MATERIAL ESG FACTORS ARE A SUBSET OF FUNDAMENTAL FACTORS AND VARY BY INDUSTRY





CLIMATE CHANGE

We are focused on ensuring our investment teams continue to have all of the information needed to analyze both physical and transition risks associated with climate change. Starting in 2020, our submission to the Principles for Responsible Investment will be prepared consistent with the recommendations of the Task Force on Climate-related Financial Disclosures.



OUR COMMITMENT

Going forward we are committed to our approach to integration of ESG within our firm, with the issuers we invest in, with the industry at large, and with technology.



FOR MORE INFORMATION ON OUR ESG EFFORTS, PLEASE CONTACT:



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**Kathleen Bochman is a vice president of Loomis, Sayles & Company and director of ESG.** She is responsible for increasing awareness of ESG principles among the firm's investment teams and partnering with them to identify how ESG considerations may be further incorporated into their unique investment processes. Kathleen leads the Loomis Sayles ESG Working Committee in providing strategic support to investment teams, conducting internal education and serving as a thought leader for the firm on material sustainability issues.

Kathleen has 31 years of investment industry experience and joined Loomis Sayles in 2006 as global equity analyst covering the financial sector. She began her career as a senior consultant for Andersen Consulting, specializing in systems consulting for financial clients. Following this, Kathleen moved to State Street Research & Management where she was a fixed income credit analyst, and later was named head of credit research for the firm. She then joined Wellington Management Company as a fixed income credit analyst. Prior to joining Loomis Sayles, Kathleen was a financial sector credit analyst for Gimme Credit. She earned a BA from Dartmouth College and an MBA from Columbia University.



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