

# ESG Philosophy

We believe risks and opportunities associated with material ESG factors are inherent to investment decision-making and our clients' long-term financial success. In service of our **fiduciary duty**, we believe the best way to consider ESG is through **integration** that aims to identify the **financial materiality** of ESG factors. Integration contributes to our ability to seek value and deliver superior, long-term results.

## OUR INTEGRATION MODEL FOCUSES ON FOUR KEY FACETS:

### RESEARCH

We believe a proprietary research framework is the best mechanism for identifying and understanding material ESG considerations. Forward-looking ESG analysis, customized data capabilities, curated ESG information and proprietary technology platforms are all critical tools that aid this understanding.

### ENGAGEMENT

Engagement is an essential component of our proprietary analysis across all asset classes. Financially material ESG factors are an inextricable part of our engagement. We believe direct engagement promotes transparency, raises awareness of risks and opportunities, and can unlock investment value. Active engagement enhances our ability to analyze risk and reward potential and informs our forward-looking views. Exercising our proxy voting responsibility is an important component of engagement for our equity strategies.

### VALUATION

As active managers responsible for enhancing returns and mitigating risks, we believe that integrating financially material ESG factors is necessary to fully value securities and understand opportunities and risks. Disciplined portfolio construction requires constant assessment of these considerations at the security and portfolio levels.

### CLIENT FOCUS

We believe it is important to meet clients where they are and to offer ideas and tools to help them realize their unique ESG objectives. As client ESG preferences evolve, we will continue to be nimble and flexible in providing customized solutions that reflect client-specified goals and values. Our goal is to be a trusted, rational advisor to our clients.

Everything we do at Loomis Sayles is borne out of our commitment to achieving our clients' specific and distinct goals through active management. Delivering superior, long-term performance and exceptional solutions relies on proprietary, best-in-class research that identifies the current and future risks and opportunities of every investment. This includes assessing financially material environmental, social and governance risks as an integral component of the investment process, not an overlay.