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## ESG Integration

We believe a company with informed Environmental, Social and Governance (ESG) practices typically exhibits operational excellence, capitalizing on growth opportunities and mitigating exposures to risk, while aligning with stakeholder interests.

### ESG INTEGRATION:

#### Positive Growth & Risk Mitigation

Our ESG equity strategies uncover opportunities and risks. At its heart, ESG integration is about enhanced communication, in our opinion. We seek companies that are transparent about not only their financial results but also their corporate practices. We regard ESG integration as a holistic understanding of a company's exposure to environmental, social and governance criteria that may enhance or impede investment performance. We analyze ESG-related risks and opportunities to uncover companies with undiscovered growth, efficient operations and best-in-class management teams and believe an understanding

of ESG criteria as part of fundamental research should result in less volatile investments that can individually and collectively support greater corporate transparency and longer investment horizons.

We believe companies that communicate with their stakeholders, stay ahead of changes to their industries and are willing to evolve business models should prove themselves long-term secular winners. To that end, we also believe companies with exemplary ESG characteristics are likewise high in quality with above-average growth potential, solid balance sheets and strong cash flow. Most of these companies prioritize dividends as a key method of returning capital to shareholders.

# Our View: The Forest & The Trees

AN INTEGRATED APPROACH TO INVESTING

Growth  
Opportunities

Risk  
Mitigation

Stakeholder  
Interests



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## OUR ESG EQUITY STRATEGY OBJECTIVES:

### Preserving Capital while Increasing Total Return

Our equity strategies serve to provide U.S. large-cap public equity exposure through a concentrated portfolio of 30 to 40 stocks primarily found in the S&P 500 based on proprietary bottom-up and ESG-integrated analysis. In an effort to manage capital gains implications, we aim for less than one-third turnover to the strategies in a given year.

Our objective is to at least mimic S&P 500 gains and outperform losses over a market cycle, through the selection of high quality, reasonably valued, dividend-paying U.S. companies. We also seek less volatility than the S&P 500 due to our emphasis on dividend payers and a deeper understanding of ESG criteria.

### Our Investment Process

We focus on fundamental, bottom-up analysis and conduct our own proprietary research, which includes utilization of company filings, discussions with management, industry data, and sell-side analysis. Embedded in our research process is an exploration of the environmental, social and governance issues pertinent to sectors and individual securities. Valuation is integral to our stock selection. We seek stocks that are priced attractively to our estimate of a company's long-term growth potential. To determine these relative comparisons we consider such metrics as:

- Price to earnings (P/E)
- Price to sales (P/S)
- Enterprise value to earnings before interest, taxes depreciation and amortization (EV/EBITDA)
- Free cash flow (FCF) yield
- Dividend yield

# Risk Mitigation

We size positions between 2% and 5% of a strategy, prioritize security selection over sector bets and aim to keep the strategies fully invested over a market cycle. We employ a sell discipline that includes trimming or selling outright stocks that have:

- Exhibited a material change to our investment thesis
- Moved adversely for an extended period versus normal volatility
- Illustrated weaker characteristics than a recommended replacement

# The Six Keys

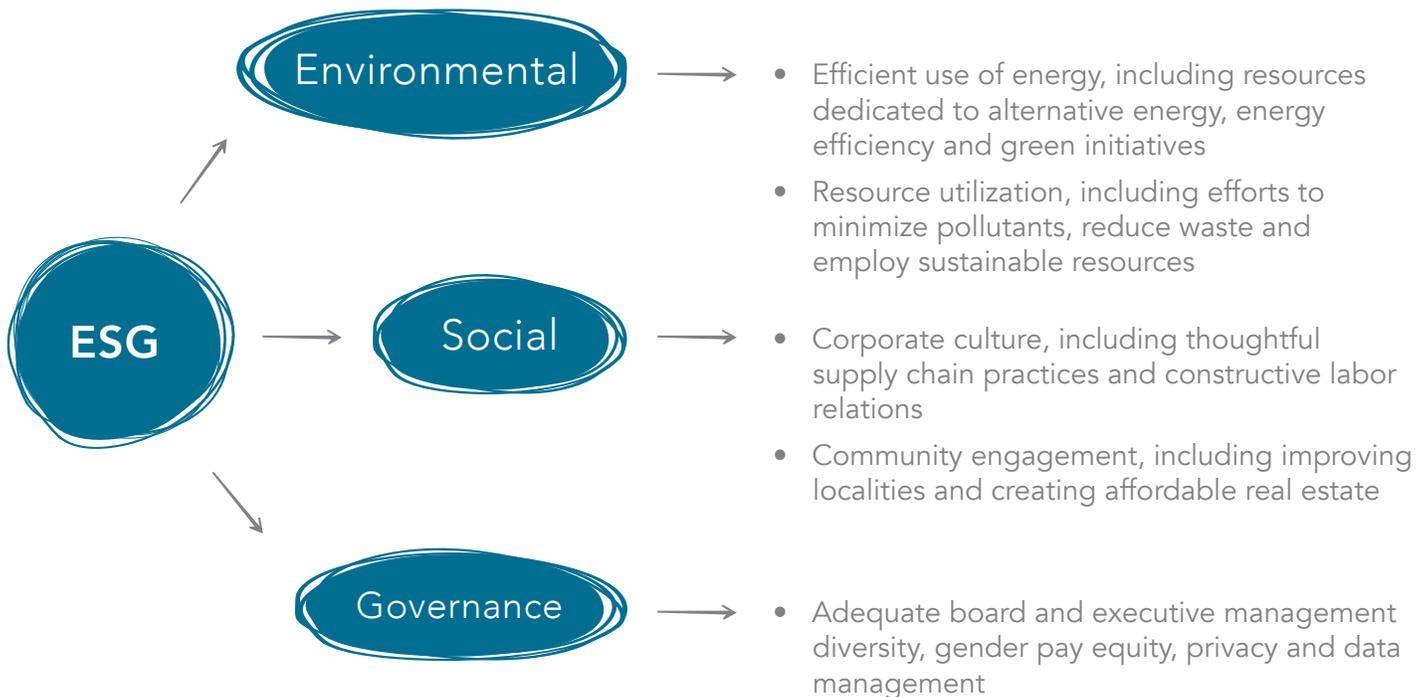
## TO OUR FUNDAMENTAL RESEARCH

- 🔑 Earnings Growth Potential
- 🔑 Reasonable Valuation
- 🔑 Robust Quality Characteristics
- 🔑 Strong Balance Sheet
- 🔑 Committed Dividend Policy
- 🔑 **Comprehensive ESG Profile**



We view the understanding of ESG criteria as an extension of fundamental analysis and, subsequently, an additional layer of risk mitigation.

## ESG Criteria





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## Baldwin - The Evolution of Investment

Genuine relationships and personal attention are the hallmark of the Baldwin experience. We've made lasting relationships that span generations because again and again we choose people over products, and family-impact over fast wins. You'll feel the difference the minute you meet us, and every single time for years to come.

Deliberately-sized and decidedly innovative, our high-touch, holistic, and collaborative approach puts you in a much better position to have a positive impact in ways that matter to you and your family. Unlike larger firms, trust departments and banks, we offer the flexibility to structure individual portfolios to address your unique priorities, risk tolerance, and tax situation, and provide a generous suite of services to help you live life to the fullest.

## WE INVITE YOU TO START YOUR EXPERIENCE TODAY

**Stop by and see us:** 204 Spring Street, Marion, MA 02738 | **Email:** [info@baldwinbrothersinc.com](mailto:info@baldwinbrothersinc.com)

*Additional information, including management fees and expenses, is provided on our Form ADV Part 2, available upon request or at the SEC's public disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Past performance is not a guarantee of future results.*