



IR+M'S APPROACH TO ESG

COMMITMENT

IR+M is deeply committed to conducting business responsibly on behalf of our clients and our community. This commitment is reflected in our incorporation of Environmental, Social, and Governance (ESG) factors across our investment and business activities. As part of our investment approach, we consider ESG metrics alongside traditional financial metrics to mitigate downside risk and identify investment opportunities influencing long-term sustainability and creditworthiness. While we formally acknowledged our integration of ESG factors when we became a PRI Signatory in 2013, our bottom-up security selection process has incorporated some of these considerations since the inception of the firm. We remain equally steadfast in our commitment to incorporating ESG into our business practices by reducing our environmental impact, fostering a diverse and inclusive workplace, and supporting our community.

INTEGRATION

ESG is embedded throughout our investment process and applied across all our strategies. At IR+M, we believe that comprehensive security analysis extends beyond traditional financial metrics. We have developed a proprietary, sector-specific framework to identify and evaluate material ESG factors specific to each industry. Our Credit, Municipal, and Securitized Analysts use their sector expertise, along with Sustainability Accounting Standards Board (SASB) and other industry guidance, to identify key themes and issues, focusing on materiality. We evaluate industry peer groups and highlight ESG leaders and laggards, with the intention of minimizing risks and identifying opportunities. Robust analysis of material ESG issues is essential to evaluating the long-term viability of an issuer. To that end, we rely on data from a myriad of external sources, rating agencies, company filings, and other third parties. Our ESG integration leads to a more complete understanding of potential material issues, and we expect this to ultimately result in superior risk-adjusted returns over the long-term. In addition, we offer a variety of ESG-specific strategies to enable clients to reflect their values within their portfolio.

ISSUER ENGAGEMENT

Engaging with issuers complements our holistic research process by helping us better understand and evaluate issuers' ESG performance and longer-term sustainability. As fixed income investors, we do not have shareholder voting rights, but as lenders, we meet regularly with issuers and actively engage with company management to promote greater attention and action related to ESG factors. Our Investment Team is focused on fostering an effective and ongoing dialogue with management, and encouraging their pursuit of best practices, including material ESG factors that drive long-term value. We believe that management teams that are focused on ESG issues are more likely to decrease event and default risk, increase efficiency of resources, and sustain enterprise value.

SUSTAINABLE WORKPLACE

Our commitment to ESG extends beyond our investment process. IR+M remains resolute in our commitment to reducing our environmental impact. Our office is centrally located in an Energy Star and LEED Gold Star certified building, which has undergone renovations to enhance its energy efficiency, and is accessible by all forms of mass transportation. Our Sustainability Committee helps to promote an environmentally conscious culture, leads the firm in educational activities, and works to enhance our firm-wide waste-reduction efforts. The Committee has facilitated a drastic reduction in our firm-wide plastic use, while significantly increasing our recycling and composting efforts, both at home and in our communities. While the coronavirus pandemic may have shifted the focus away from our central office, this focus has since extended to our work from home spaces with various new initiatives such as an annual subsidy for at-home composting available to all employees.



DIVERSITY, EQUITY, AND INCLUSION

At IR+M, we are committed to fostering a diverse, equitable, and inclusive environment for our employees, clients, and communities in which we work and live. We strive to nurture a diverse and inclusive workforce and aid efforts to build a pipeline of diversity in the financial services industry through partnerships with external organizations. Our Workforce Integration, Retention, and Engagement (WIRE) Committee partners with our Human Capital Management (HCM) Team to bring focus to and promote our diversity, equity, and inclusion (DEI) goals. Founded in September 2016, WIRE is committed to fostering an anti-racist, inclusive, and respectful culture at IR+M. WIRE facilitates efforts to promote DEI and help mitigate all bias by providing opportunities for education, discussion, support, networking, and information sharing. IR+M's Office of DEI was established in 2020 to lead and coordinate DEI-focused work across the firm, working closely with WIRE and HCM. The Office of DEI initiates workshops, facilitates speakers, and works with outside consultants to continue to make strides in our DEI journey. We have strengthened several existing diversity and inclusion policies and programs, and our Management Committee enhanced our Firm Vision, with a commitment to diversity, equity, and inclusion as a prominent component. We continue to push forth new efforts as we evolve as a firm.

COMMUNITY ENGAGEMENT

Volunteering and giving back to our community is a central tenant of IR+M's cultural values. We believe this benefits not only our community, but also our employees. Annually, we partner with a variety of charities, support our clients' philanthropic missions, contribute a portion of our annual profits to charity, and provide matching gifts to non-profit organizations. IR+M's Community Outreach Group (COG) leads our effort of providing a unified strategy for IR+M's philanthropic outreach and charitable endeavors. COG ensures that we integrate our firm's cultural values into our philanthropic partnerships by contributing primarily to causes impacting education, health and wellness, and youth programs within our community. Additionally, our Volunteer Action Committee (VAC) provides IR+M employees with diverse and rewarding opportunities to serve our local community. Our employees are provided two paid days to volunteer each year and have numerous chances to participate in IR+M volunteer events during the year. IR+M also holds an annual Week of Giving, where employees are encouraged to give back through volunteering, monetary donations, and fundraising activities.

SUMMARY

At IR+M, we value all of our stakeholders. We strive to produce strong risk-adjusted returns, while making a positive impact on our clients, employees, and community.