



INCOME RESEARCH + MANAGEMENT



# CORPORATE SUSTAINABILITY REPORT

June 30, 2023

# IR+M CORPORATE SUSTAINABILITY REPORT

## TABLE OF CONTENTS

2

A Message from Our CEO

3

Who We Are

6

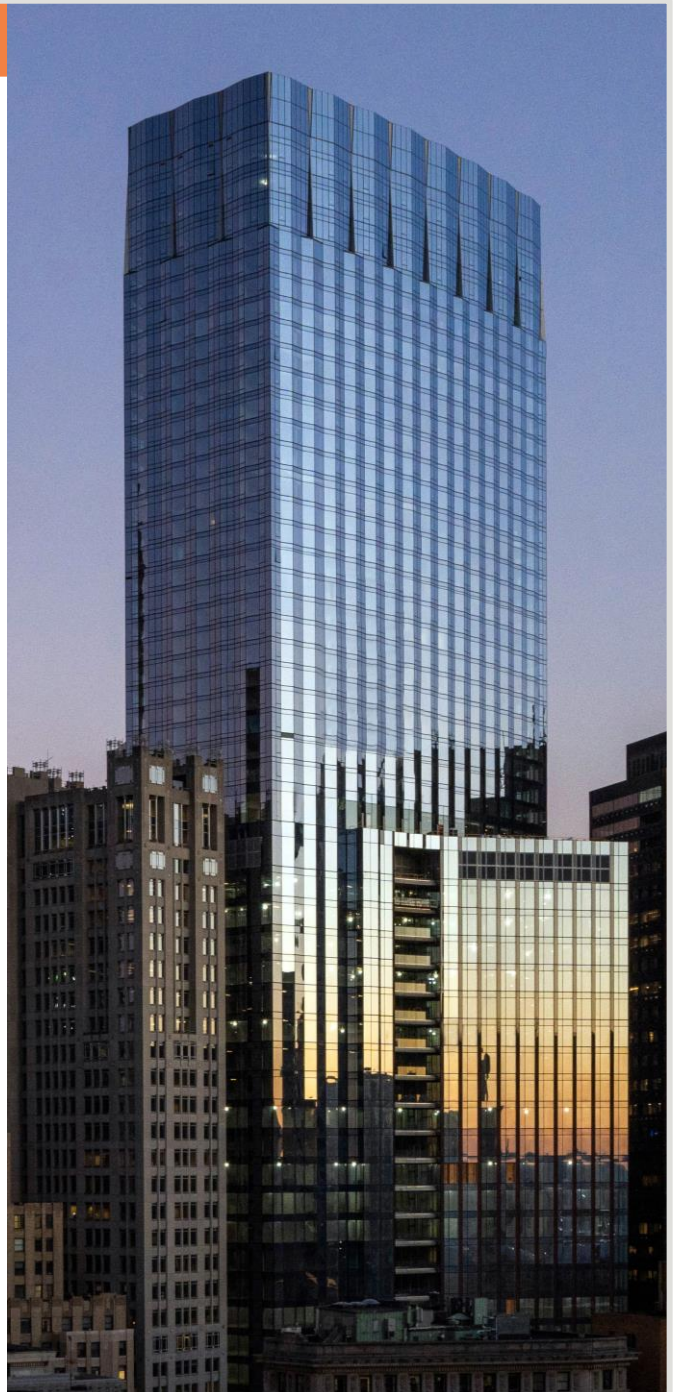
Corporate Sustainability  
Diversity, Equity, and Inclusion  
Community Outreach

13

TCFD Reporting  
ESG Investing

22

Closing Remarks



## A MESSAGE FROM OUR CEO

We are thrilled to share our second annual Corporate Sustainability Report, which is an authentic account of what makes us IR+M – our unwavering commitment to our clients, our colleagues, and the world around us. As fixed income investors, we are intent on consistently delivering superb investment performance and best-in-class client service. As corporate stewards, we recognize the role that we play in our community and industry, as well as our responsibility for achieving sustainable effectiveness.

As we navigate this post-pandemic world, our firm continues to evolve. Together, we have pledged to create long-term value for all stakeholders. We have become a signatory to the CFA Institute's Diversity, Equity, and Inclusion Code (USA and Canada). We have launched new employee affinity groups and welcomed another class of exceptional summer interns.

In late 2023, we will be moving our office to a brand-new building, Winthrop Center, which is located in the heart of Boston's financial district. Winthrop Center establishes a new global standard for energy conservation and sustainability and emphasizes the importance of human connectivity and well-being. We are taking it a step further by pursuing a LEED Platinum certification for our office space and making conscious choices to increase our sustainability.

We unreservedly believe that the future is bright.



Bill O'Malley, CFA  
Board Member  
CEO, Co-CIO

A handwritten signature in black ink, appearing to read "Bill O'Malley". The signature is fluid and cursive.

# IR+M CORPORATE SUSTAINABILITY REPORT

## WHO WE ARE

+ INDEPENDENT FIRM + VALUE ORIENTED APPROACH + COLLABORATIVE CULTURE + CLIENT FOCUS

## OUR FIRM

- ❖ Founded in 1987
- ❖ 100% privately owned
- ❖ \$93.2 billion assets under management
- ❖ 206 employees
- ❖ 739 clients
- ❖ Exclusively US dollar-denominated fixed income portfolios
- ❖ Consistent, team-oriented, bottom-up investment approach

Data as of 6/30/23

At Income Research + Management (“IR+M”), we focus exclusively on USD fixed income investing, using a bottom-up research-oriented approach.

Our second annual Corporate Sustainability Report highlights many of the ways we make a positive impact while delivering on our pledge to add value, perform for, and support our clients.



## RECENT HIGHLIGHTS

Held our 10<sup>th</sup> annual Gives BACK Week, with cumulative donations totaling over \$3 million

Expanded our employee affinity groups to include Women + Allies and LGBTQIA + Allies to strengthen inclusivity

Awarded P&I’s Best Places to Work for 7<sup>th</sup> consecutive year



Published our first annual Corporate Sustainability Report and our second annual Issuer Engagement Report

# IR+M CORPORATE SUSTAINABILITY REPORT

## WHAT WE STAND FOR

*We strive to take care of our clients and colleagues while partnering with local organizations to support our community.*

### Deliver for our clients

At IR+M, we place our clients at the forefront. We prioritize consistent investment performance while partnering to ensure we are meeting our clients' needs and goals. We look to foster long-term relationships and understand the nuances of each client's situation.

### Committed to our colleagues, culture, and sustainability

Our colleagues are the heart of our firm and culture. We are focused on maintaining an inclusive and collegial work environment while continually assessing opportunities for improvement and challenging one another to be "ever better". We also remain diligent in our sustainability efforts, providing educational opportunities for our employees and making tangible changes throughout our operations.

### Give back to the community

We are committed to our local communities. Through our IR+M Community Initiative, we endeavor to create a more inclusive, equitable, and diverse community by engaging in philanthropic and volunteer activities that foster awareness of injustices and social inequities in Boston and beyond. These actions are encouraged throughout the year but emphatically embraced during our annual Gives BACK (Bonding About Charity and Kindness) Week, where the firm rallies together to support organizations within our community.

## SELECT PARTNER ORGANIZATIONS



# IR+M CORPORATE SUSTAINABILITY REPORT

## IR+M CORE VALUES



### INVESTED

in delivering results for our clients, providing growth opportunities for our colleagues, and supporting our community



### RESPECTFUL

of each other's work, beliefs, and differences



### POSITIVE

in our conviction that we are better and stronger together



### MOTIVATED

to advocate for change, to grow, to evolve - and to enjoy the journey

## OUR STAKEHOLDER COMMITMENT

IR+M's Core Values represent the key tenets of our culture. They are central to our foundation and drive all that we do to deliver strong results and service for our clients, support our community, develop our talented colleagues, and evolve our inclusive culture.

Our firm was built upon our commitment to our stakeholders. We are invested in delivering results for our clients, providing growth opportunities for our colleagues, and supporting our community. We view our stakeholders as partners and believe that transparency, communication, and demonstrated commitment are of the utmost importance.

Our Corporate Vision, firm-wide culture, commitment to our employees, DEI efforts, and talent management initiatives align with our Core Values. We aim to foster and sustain a culture of purpose while providing consistent fixed income performance and exceptional client service.

In addition, IR+M recognizes that climate change can have a material impact on credit profiles and long-term sustainability. The transition is evident in many aspects of the investing environment, including stranded assets, supply chain disruptions, regulatory costs, and physical damage from more frequent climate events. As such, we typically assess material climate-related risks as part of our security analysis. We also routinely evaluate our firm's environmental impact.

*As part of our investment research process, IR+M considers material environmental, social, and governance (ESG) risks, opportunities, and issues. We conduct proprietary ESG analysis of certain investments, depending on the nature of the relevant investment. IR+M does not currently view certain types of investments, including cash and cash equivalents, such as Treasuries, as presenting ESG risks or issues.*

# IR+M CORPORATE SUSTAINABILITY REPORT

## CORPORATE SUSTAINABILITY

Led by our Sustainability Committee and championed across all levels of the firm, IR+M promotes a conscious focus on our environmental impact, centered on educating colleagues and implementing meaningful changes both in the office and at home.

We have improved our firm-wide waste-reduction efforts, which include reducing single-use plastics in the office and materially increasing our composting and recycling practices. Additionally, we have changed our procurement process and intentionally purchase recycled, sustainable, and compostable products whenever possible. For our homes, we offer all colleagues an annual composting subsidy benefit and look to provide educational opportunities and discussions throughout the year.

- ❖ Reduce single-use plastics
- ❖ Offer all employees an annual composting subsidy
- ❖ Provide bike and scooter parking for alternative commuting options
- ❖ Work with vendors to reduce plastic products delivered to the office
- ❖ Contract with eco-friendly document shredding provider
- ❖ Reduce the number of printers throughout the office
- ❖ Donate and recycle technology hardware, furniture, books, and décor to non-profit organizations

## OUR MOVE

In late 2023, IR+M will move to Boston-based Winthrop Center. Our lease expiration provided us with the opportunity to relocate to a new, state-of-the-art building, which is currently the largest Passive House\* office building in the world. At Winthrop Center, energy consumption will be approximately 65% below the Boston average, and water usage 40% lower, with airflow, lighting, and open space designed to optimize the environment. We consciously made construction decisions that will allow us to obtain LEED Platinum certification for our designated office space.



*\*Passive House is a voluntary standard for energy efficiency in a building, which reduces the building's ecological footprint through airtight seals, insulation, and high-performance doors and windows.*

# IR+M CORPORATE SUSTAINABILITY REPORT

## DIVERSITY, EQUITY, AND INCLUSION (DEI)

At IR+M, we are committed to fostering a diverse, equitable, and inclusive environment. We support equal rights, cognitive and experiential diversity, and responsible, inclusive hiring. We believe that diversity of thought leads to better decision making, investment performance, and team dynamics. We also focus on creating and sustaining a diverse and inclusive IR+M through our external partnerships. Our commitment to this endeavor is not limited to our firm – it extends to our industry, as well.

To help advance our DEI journey, we established our Office of DEI in September 2020, which is responsible for leading and coordinating all DEI-focused initiatives at IR+M. A core component of the Office of DEI's mission is its sponsorship of workshops and speakers, as well as its collaboration with outside consultants, who provide training on unconscious biases and engendering a welcoming office environment.



In May 2023, we became a signatory to the CFA Institute's Diversity, Equity, and Inclusion Code (USA and Canada). We believe that our commitment to opening our firm – and our industry – to a wider breadth of perspectives and talents will help us foster a more inclusive work environment, continue to perform for our clients, and initiate substantive changes that will make our industry more representative of the world around us.



# IR+M CORPORATE SUSTAINABILITY REPORT

## OUR DEI INITIATIVES



### ACTION

**Office of DEI (ODEI):** Led by our Head of Human Capital Management and Corporate Responsibility, ODEI's senior leaders drive firm initiatives and work in close partnership with our Management Committee to ensure we are progressing on our DEI journey.

**Affinity Groups:** Our demographically-focused Affinity Groups have charters, goals, and executive sponsorship, and are a platform for networking and mentorship. These groups hold firm-wide informational events to foster connection and belonging.

**Internships:** We utilize inclusive recruiting for our annual summer internship program, with the hopes of building an internal pipeline while opening opportunities within the investment industry.



### ADVOCACY

**DEI Council:** The DEI Council is an employee group committed to fostering an anti-racist, inclusive, and respectful culture at IR+M. The Council generates ideas and facilitates efforts to promote all facets of DEI by providing opportunities for education, discussion, support, and networking.

**CFA DEI Code (USA and Canada):** IR+M became a signatory in May 2023. Our commitment reaffirms our role in promoting diversity within our firm and the industry.

**YW Boston Community of Practice:** IR+M's Office of DEI are members of YW Boston's Community of Practice, which is a gathering of DEI professionals that provides innovative insights and confidential recommendations to Boston-based firms.



*"Throughout my years at IR+M, I've been continually moved by our shared commitment to preserving our extraordinary culture. Integrity, respect, and compassion for others run deeply at IR+M and are reflected in our core values. It's an incredible feeling to be part of a team that readily embraces our surrounding community and each other."*

Annemarie Ellicott  
Head of Human Capital Management and  
Corporate Responsibility

*“I am personally invested in fostering a diverse and inclusive environment for everyone at IR+M. My active involvement in our AAPI affinity group and DEI Council has highlighted the vast support network I have at IR+M and deepened my connection with my colleagues. I truly appreciate how receptive senior leaders have been to my candid feedback and the application of our “ever better” mindset to our DEI journey.”*

Theresa Roy, FSA, EA, CFA  
SVP, Head of LDI & Pension Solutions



## DCIIA's Diversity, Equity & Inclusion Awards

Lilly Chen and Theresa Roy were recognized as a 2022 Leader and Rising Star, respectively, at DCIIA's (Defined Contribution Institutional Investment Association) Diversity, Equity & Inclusion Awards. The award recognizes individuals who are advocating for or otherwise contributing to their organization's diversity, equity and inclusiveness.

*“It's been wonderful contributing to the DEI journey at IR+M. By embracing allyship at all levels, from senior leaders to members of affinity groups, we have fostered an environment where the true potential of diversity is realized. In our firm culture, every voice is amplified and celebrated. We want each colleague to feel valued, respected, and empowered to thrive. By recognizing that DEI is part of our core values, we are building a future where everyone can contribute and succeed at IR+M.”*

Lilly Chen  
Head of Technology



# IR+M CORPORATE SUSTAINABILITY REPORT

## OUR FIRM'S EVOLUTION

We believe that a culture of transparency inspires trust and enhances performance and engagement. At IR+M, we have a comprehensive action plan designed to authentically advance our initiatives. We invite feedback from our many constituencies aimed to help us improve.

IR+M is committed to embracing diversity and strengthening the bonds of inclusion across our workforce and the industry. We want our firm to best reflect the diversity – and fortitude – of our clients and community. Different perspectives and experiences spark innovation and honest dialogue, and this ultimately benefits our clients.

Led by our dedicated internal recruiting team, we embrace an "always on" recruiting strategy to continually identify talented individuals from varied backgrounds. We leverage numerous tools, platforms, and networks to ensure that we are interviewing a diverse pool of candidates. We partner with our hiring managers to develop a comprehensive recruiting strategy, which includes creating diverse interview panels, providing unconscious bias and general interviewing training, and ultimately identifying and welcoming talented employees that are additive to the firm.

Our firm's demographics reflect our values. We ensure our interview candidates embody varied backgrounds and experiences and place an emphasis on the needs of the team at the time of hire. This practice has been consistent over time, as reflected in the table below.

## IR+M EMPLOYEE DEMOGRAPHICS

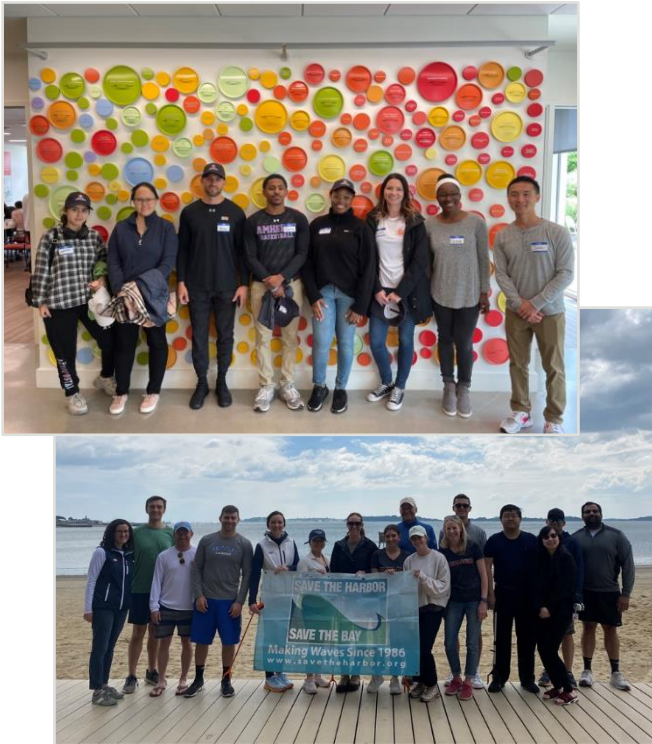
IR+M Employees	December 2017	December 2019	December 2022
Women	39%	40%	47%
Men	61%	60%	53%
White	77%	79%	69%
BIPOC*	23%	21%	31%

\*Black, Indigenous, and People of Color

As of 12/31/22 and may include double counting. The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions.



# IR+M CORPORATE SUSTAINABILITY REPORT



## COMMUNITY OUTREACH

Community outreach has been an integral part of IR+M's DNA since our inception. Our cross-functional Community Outreach Group liaises with our surrounding community and leads our charitable endeavors, which are aligned with causes close to our clients' and colleagues' hearts. As part of this effort, IR+M has pledged to provide financial support in the following ways:

- Donate a percentage of net income to qualified causes
- Match approved employee donations
- Provide time for employees to volunteer in the community

## THE IR+M COMMUNITY INITIATIVE

The IR+M Community Initiative, formally launched in January 2021, has focused our community outreach efforts. It is predicated on six key themes and aims to address and enhance the awareness of racial injustice and social inequities in Boston neighborhoods and beyond. The themes include equity in education, economic opportunity and empowerment, equity in healthcare, justice and law enforcement, breaking down barriers and building bridges across communities, and voting and civic engagement. The initiative highlights charitable and community organizations that support each theme, and employee donations to these organizations are double matched by IR+M. As a firm, we have pledged to commit a meaningful donation to this effort.

## COMMUNITY OUTREACH FOCUS AREAS

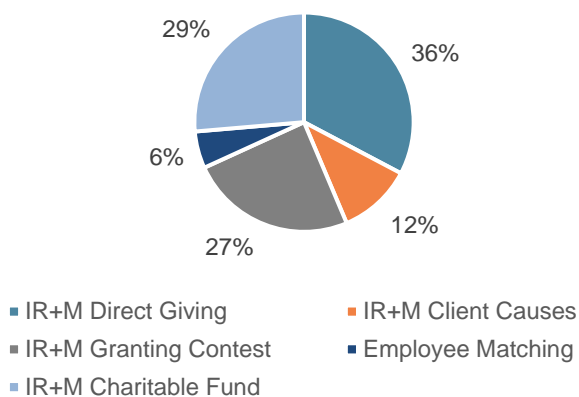
Community	Education and Youth	Diversity, Equity, and Inclusion	Health and Wellness	Social Justice
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# IR+M CORPORATE SUSTAINABILITY REPORT

## IR+M GIVES BACK WEEK

Our annual Gives BACK (Bonding About Charity and Kindness) Week is universally known as IR+M's best week of the year. It is a celebration of our community and the organizations that are significant to our colleagues. For one week, IR+Mers come together and enthusiastically participate in a myriad of volunteer and fundraising events, including boot camp, community clean ups, and bingo at a local senior residential care facility.

### 2022 CHARITABLE GIVING



### GIVES BACK WEEK 2023 HIGHLIGHTS

- ❖ 300 hours of volunteering and learning over five days
- ❖ 14 separate volunteer and fundraising events
- ❖ Over \$350,000 donated to more than 35 individual non-profit organizations

## IR+M Granting Contest: The Highlight of the Week

During Gives BACK Week, IR+M hosts an employee granting contest, where our colleagues nominate nonprofit organizations that are important to them. In heartfelt videos, IR+Mers introduce their charities and often share their personal connections. Our colleagues are faced with the impossible task of voting for their favorite charities, which ultimately receive grants from our donor-advised fund, the IR+M Charitable Fund at the Boston Foundation. Every nominated charity receives some level of financial assistance.

In 2023, we awarded 23 grants to employee-sponsored nonprofit organizations. Our top winning charities received grants of \$20,000 or more. The organizations represented a diverse range of missions and impact. Some of the winners included Boston Children's Hospital Department of Neurosurgery, Tatton Brown Rahman Syndrome Community, Crossroads School, National Alliance on Mental Illness, Mabel Center for Immigrant Justice, and Year Up. Over \$400,000 was granted as part of the granting contest event.

## Task Force on Climate-Related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board to create a framework to help market participants identify, assess, and appropriately price climate-related risks and opportunities.

The TCFD Framework is structured around four thematic areas:

- Governance
- Strategy
- Risk Management
- Metrics and Targets



As a steward of our clients' assets, IR+M builds portfolios on a bond-by-bond basis with fundamentally attractive securities that meet our credit, structure, and price criteria. Using our bottom-up security selection strategy and, as part of our risk assessment, we incorporate material climate-related risks within much of our analysis.

Additionally, we strive to consider material climate-related risks that may impact our business from a firm-wide perspective.

Utilizing the TCFD framework and recommendations, IR+M is pleased to provide our inaugural report of climate-related financial disclosures.

The reporting period covered is calendar year 2022.



# IR+M CORPORATE SUSTAINABILITY REPORT

## TCFD: GOVERNANCE

IR+M has been independent and privately owned since the firm's inception in 1987. We believe that this ownership structure aligns our interests with those of our clients and allows us to invest in the business with a long-term mindset.

Our Board is currently comprised of three internal fiduciary board members and five external and independent advisory board members. The Board will transition to full fiduciary board members in 2024, further strengthening the governance oversight function.

IR+M's Board and Management Committee receive periodic updates on our ESG program, which includes our

investment integration process, research capabilities, and product strategies. The Board and Management Committee also monitor and advise on all major firm initiatives, including our firm-wide sustainability and community initiatives, our business risk, business continuity and disaster recover planning, cyber-security programs, financial planning, and general business health, among others.

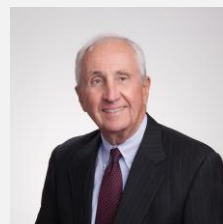
### IR+M's Fiduciary Board



**Jack Sommers, CFA**  
Co-Founder  
Executive Chairperson



**Bill O'Malley, CFA**  
CEO, Co-CIO



**John Sommers**  
Co-Founder  
Chairperson Emeritus



# IR+M CORPORATE SUSTAINABILITY REPORT

## IR+M'S ESG LEADERS AND RESOURCES

### Allison Walsh, CFA\*

SVP, Head of ESG and Corporate Sustainability  
ESG Committee Chair

### Jim Gubitosi, CFA

Principal, Co-CIO  
ESG Committee Member

### Kristoff Nelson, CFA\*

Director of Credit Research  
ESG Committee Member

### Rachel Campbell

Portfolio Manager,  
Director of Securitized Research  
ESG Committee Member

### Amy DiMarzio\*

SVP, Head of Private Client Solutions  
ESG Committee Member

### Rick Kizik, CFA

Principal, Chief Compliance Officer  
ESG Committee Member

### Justin Quattrini, CFA

Portfolio Manager  
ESG Committee Member

### Bohdan Chushak, CFA\*\*

ESG Investment Product Analyst

### Miraj Patel\*

ESG Investment Product Analyst

## TCFD: GOVERNANCE (CONTINUED)

IR+M's ESG Committee is tasked with advancing our ESG capabilities, guidelines, and product offerings. The Committee oversees the consideration of ESG factors throughout the investment process, monitors ESG market developments and ESG data providers, and acts as a resource for the Board of Trustees, the Management Committee, and the broader IR+M community.

IR+M established an ESG Regulatory Task Force in 2022 to ensure the firm monitors new regulations and proposed amendments along with potential impacts on documentation, reporting, and marketing materials. The group is co-led by our Head of ESG and Corporate Sustainability and Chief Compliance Officer and includes members of the firm's Legal and Compliance teams.

The Risk and Regulatory Compliance Team is responsible for managing business risk. Responsibilities include firm-wide risk assessment, incident management and reporting, insurance management, physical security, vendor risk management, privacy and information management, and business continuity. This includes the oversight of our Rule 206(4)-7 Compliance Program (Education, Policy Manual, Risk-based testing, and the Annual Compliance Review), regulatory reporting and filings, our Code of Ethics, annual SOC 1 examination, and ongoing compliance-related education.

Our Investment Compliance Team is responsible for portfolio guideline coding, analysis, monitoring, and reporting. Our Legal Team is responsible for all legal matters affecting the firm, including legal research, general firm matters, and contract negotiation.

\*SASB FSA Credential Holder

\*\*Awarded the CFA Institute Certificate in ESG Investing



# IR+M CORPORATE SUSTAINABILITY REPORT

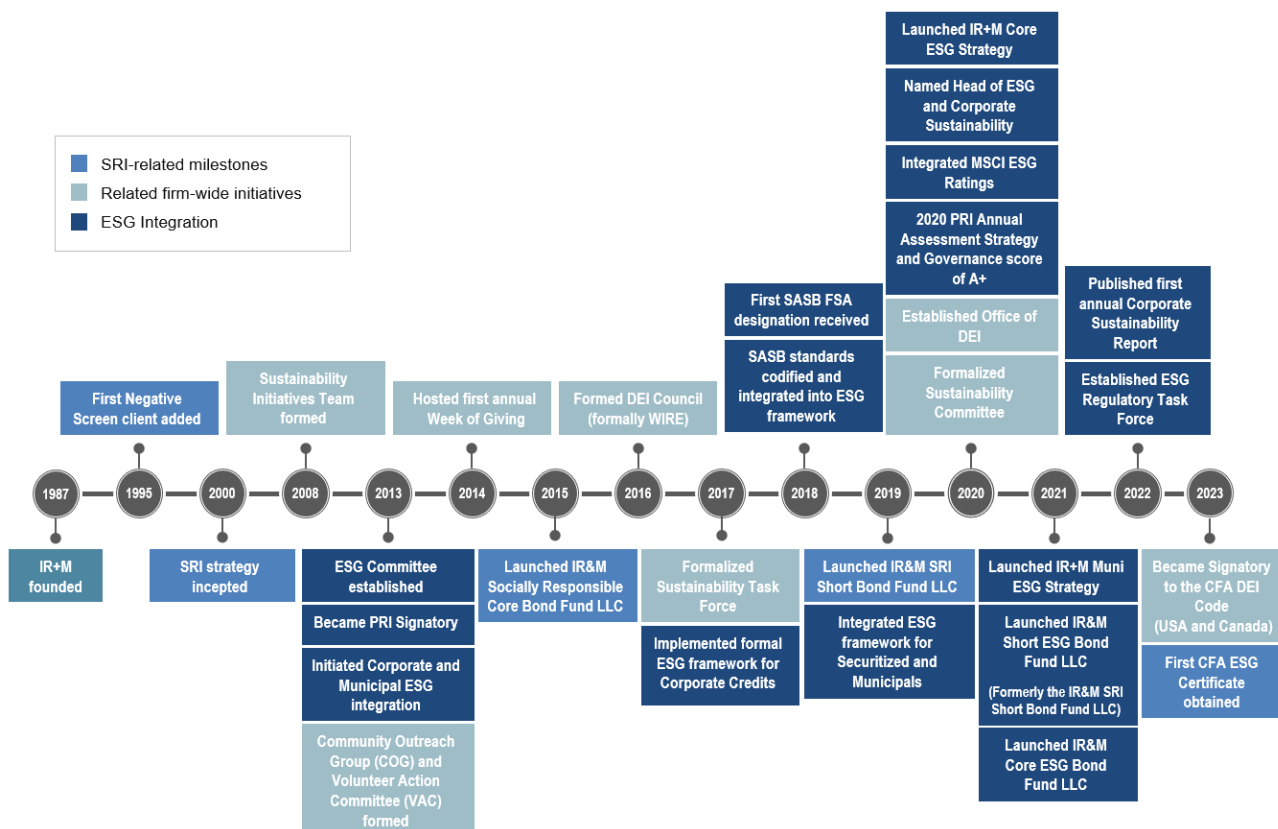
## TCFD: STRATEGY

### Business and Planning Impacts

IR+M recognizes that climate change can have a material impact on long-term sustainability. As such, we incorporate the assessment of material climate-related risks into our security analysis and portfolio construction process whenever appropriate. We actively consider different client needs and seek to work with each client to ensure their portfolios accurately reflect their unique investment goals. In addition, we monitor our product offerings to ensure they remain competitive.

At the firm level, we understand our environmental impact and are taking actionable steps to reduce our waste and become more sustainable. In addition, within our business continuity planning and business risk assessments, we evaluate the potential impact of adverse climate events. This includes assessing potential climate-related risks with many of our data providers and other suppliers.

Our ESG Regulatory Task Force meets regularly to review new developments. We remain apprised of all pertinent regulatory implications globally.



As of 7/31/23  
On 4/1/2021, the IR&M SRI Short Bond Fund LLC transitioned to the IR&M Short ESG Bond Fund LLC, reflecting new ESG-focused guidelines.

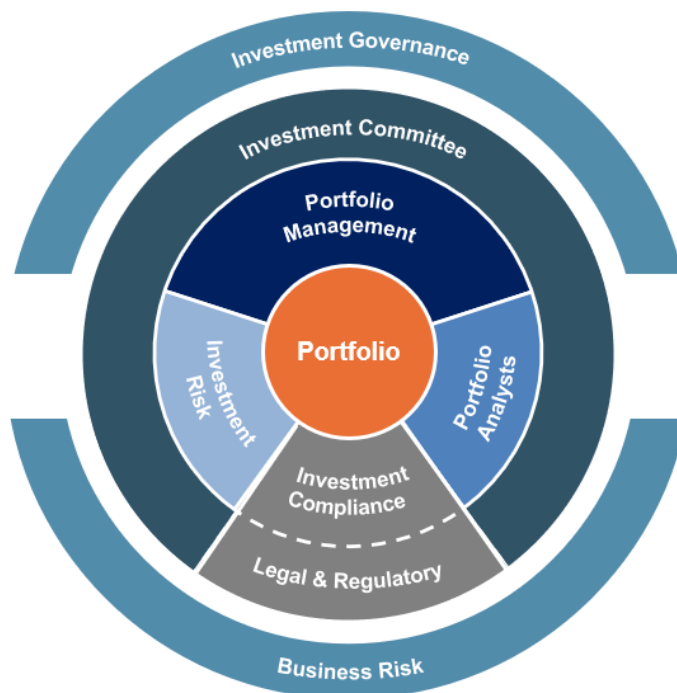
# IR+M CORPORATE SUSTAINABILITY REPORT

## TCFD: RISK MANAGEMENT

Actively surveilling IR+M's business and investment risks is a critical component of our long-term success and sustainability. As such, risk management is a cross-functional effort spanning several teams and systems across the firm. In addition to our robust set of policies and procedures, we incorporate a regular testing program to verify proper implementation, accuracy, and compliance. Our evaluation of climate-related events and risks includes an assessment of meaningful physical risks, technological and cyber-security risks, operational risks, and legal and regulatory risks.

To enhance and support both our short- and long-term incident responses, we utilize a dynamic business continuity and disaster recovery plan. Additionally, we routinely test our firm-wide communication protocol, along with our infrastructure restoration efforts, and lead regular disaster recovery tests.

We also maintain a proprietary investment research tool to help our Research Analysts identify material sector-specific risks, including climate-related risks, that may impact their credit views. This tool is routinely reviewed and updated to incorporate any material enhancements.



## TCFD: METRICS AND TARGETS

IR+M continues to look for ways to measure and reduce our environmental impact. We have implemented a number of actionable programs, including those highlighted on page six, such as:

- ❖ Decreasing single-use plastics
- ❖ Reducing the number of available printers
- ❖ Eliminating paper confirmation statements
- ❖ Educating employees on composting

As we prepare for our move to Winthrop Center in late 2023, we are evaluating ways to measure our environmental impact within our new office space. We continue to assess data vendors to assist with this process.

While we do not currently have specific climate-related targets in place, we plan to evolve our program as additional data becomes available.

The US fixed income market lags the equity market in carbon footprint data and other climate metrics. To better assess the impact of potential climate risk across our investment portfolios, IR+M actively encourages standardized reporting and increased disclosure of climate metrics. While the industry has made significant progress within the corporate bond sector, there remains limited climate data available within the sovereign, municipal, and securitized bond sectors.

We expect the data to improve over time and continue to partner within the industry to advocate for better data and disclosures.

*“We remain focused on making sustainable choices across the firm and look to better quantify these going forward. We are excited about our upcoming office move particularly given the opportunity this presents to assess our current practices and thoughtfully establish new initiatives.”*



Matthew Conroy, CFA  
Director of Corporate Initiatives

## ESG INVESTING

Our proprietary framework allows us to identify and evaluate material ESG factors that are germane to each sector. Leveraging this framework, Research Analysts can more adeptly identify ESG leaders and ESG laggards within their industry peer groups, resulting in a more holistic risk assessment. When making investment decisions, Portfolio Managers evaluate the risks and opportunities raised by Research Analysts.

We evaluate securities based on their credit, structure, and price attributes. Within our positively-tilted ESG strategies, we also emphasize the ESG leaders and minimize the ESG laggards, while incorporating common negative screens.

Our cross-functional ESG Committee, which is comprised of a subset of our firm's senior leaders, champions all ESG-related efforts and education across the firm.



*“Securitized markets remain in the early stages of their ESG journey, as standardized data and thematic issues continue to be shaped across asset classes. At IR+M, we have been at the forefront of this evolution by actively working with issuers and industry groups to help shape and define what ESG means for structured products. We are energized by the progress we have made and see how these efforts will have a significant impact on the future of ESG investing.”*

Rachel Campbell  
Portfolio Manager  
Director of Securitized Research  
ESG Committee Member  
Investment Committee Member

## A NOTE FROM A PM

*“We are passionate about the key ESG issues our research team has determined are the most relevant to each sector. We look for ESG metrics that will impact the fundamental value of each idea in our bottom-up security selection process.”*



Justin Quattrini, CFA  
Portfolio Manager  
ESG Committee Member

As part of our investment research process, IR+M considers material environmental, social, and governance (ESG) risks, opportunities, and issues. We conduct proprietary ESG analysis of certain investments, depending on the nature of the relevant investment. IR+M does not currently view certain types of investments, including cash and cash equivalents, such as Treasuries, as presenting ESG risks or issues.

## ESG INTEGRATION

We believe that analyzing material ESG risks is part of good credit work, as this practice may help us to identify issues impacting the longer-term financial standing of a credit. As sector specialists, our Analysts consider sector-specific ESG risks during the credit research due diligence process.

We formally acknowledged the integration of ESG factors into our credit analysis when we became a PRI Signatory in 2013. However, the consideration of many of these factors has been a component of our credit research mosaic since IR+M's inception. We believe this discipline complements our bottom-up, relative value-oriented investment approach.

We work closely with our clients to determine their investor values and preferences and implement ESG-focused products when requested to express these views.



*“Incorporating the analysis of material ESG risks within our larger investment framework allows our Research Analysts to more holistically assess their credits. This aligns with our bottom-up security selection process.”*



Allison Walsh, CFA  
Head of ESG and Corporate Sustainability  
Chair, ESG Committee  
Chair, Sustainability Committee  
SASB FSA Credential Holder

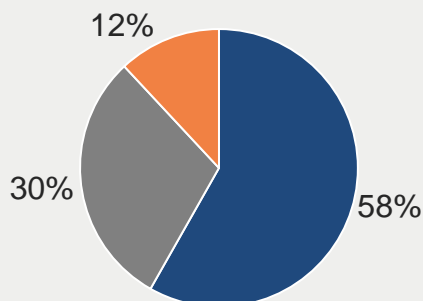
## ENGAGEMENT IS KEY

As a lender on behalf of our clients, we believe that engagement is a vital facet of responsible investment stewardship, which goes hand in hand with our robust, bottom-up credit research. By engaging with issuers on a range of topics, including material ESG themes, we glean insight into complex risks and opportunities not otherwise captured in traditional credit metrics.

At IR+M, we focus our engagement efforts on better understanding complex risks, encouraging change and advocating for increased disclosure. Our Research Analysts cover a myriad of E, S, and G-related topics, including issuers' sustainability programs and targets, DEI policies and initiatives, and the alignment of management compensation with these objectives.

Our engagement activities extend to our involvement with various industry associations, such as the Principles for Responsible Investment (PRI), CFA Institute, and a number of grassroots organizations. We also attend ESG-focused meetings and conferences, which allow us to collaborate with our peers and discuss best practices. Our recently published [2022 Engagement Report](#) details many of our activities.

### Firmwide Engagement Topic Breakdown



■ Environmental ■ Social ■ Governance



*“Our approach directs the evaluation of ESG risks that align with our deep bottom-up research on issues that fundamentally matter for credit and bond performance.”*

Kristoff Nelson, CFA  
Director of Credit Research  
ESG Committee Member  
SASB FSA Credential Holder

# IR+M CORPORATE SUSTAINABILITY REPORT

## BOND WITH US

Now that we're back together in the office, our colleagues continue to find ways to connect and grow. This year, we have benefited from a variety of initiatives, including the formation of a number of organic book clubs, a documentary viewing hosted by our Sustainability Committee, and an amazing interview and demonstration at Mei Mei Dumplings in South Boston, organized by our AAPI Affinity Group. We continue to focus on our connections, learn from one another, and perform for our clients.



At our core, we remain laser-focused on delivering superior investment performance and client service, while fostering an environment of inclusivity and growth, focusing on our community, and assessing our environmental impact. We are committed to our own journey of sustainability at IR+M and are dedicated to creating long-term value for all stakeholders.



**INVESTED • RESPECTFUL • POSITIVE • MOTIVATED**

