



# Persistence Toward Progress

2021 CORPORATE SUSTAINABILITY REPORT



# TABLE OF CONTENTS

---

**3**

Introduction

Letter from Our President

**6**

B Corp and Benefit  
Corporation Designation

Letter from Our Benefit Director

**8**

Materiality Map

**9**

Net Zero

**11**

Diversity, Equity and Inclusion (DEI)

**13**

Our Materiality Map Progress

**15**

Collaboration and  
Thought Leadership

**17**

Indices





# INTRODUCTION

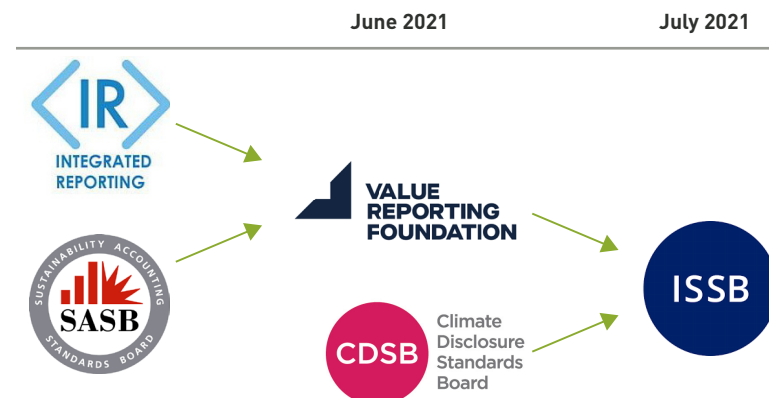
Breckinridge Capital Advisors is a Boston-based, independently owned asset manager specializing in investment grade fixed income portfolio management. Working through a network of investment consultants and advisors, we serve a wide variety of clients ranging from high-net-worth individuals to large institutions.

## Approach to this Report

This report offers an overview of our approach and commitment to sustainability both in our investment process and our business operations. Our strong conviction in the merits of environmental, social and governance (ESG) integration in our investment approach motivates examination and reporting on our own sustainable business practices. As such, in our 2018 Corporate Sustainability Report (CSR), we were one of the first 50 companies to report to the standards published by the Sustainability Accounting Standards Board (SASB). In 2019, in addition to SASB, we reported to the Global Reporting Initiative (GRI) core standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework. We continue this reporting in 2021.

Like other investors and reporters, we are excited and encouraged by the advancements that came throughout the year in the field of sustainability reporting. The International Integrated Reporting Council (IIRC) and SASB combined in June 2021 to form the Value Reporting Foundation (VRF). The merger provides corporations and investors with a comprehensive sustainability reporting framework.

The consolidation continued in November 2021, as the International Financial Reporting Standards (IFRS) Foundation announced plans to create the International Sustainability Standards Board (ISSB). The IFRS oversees financial reporting across 140 countries. The ISSB will consolidate the VRF and the Climate Disclosures Standards Board (CDSB) to develop global sustainability disclosure standards.<sup>1</sup>



Source: Breckinridge Capital Advisors, December 21, 2021.

<sup>1</sup> "The Biggest Change in Corporate Reporting Since the 1930s: How to Read IFRS Prototype Sustainability and Climate Standards," Forbes, Mirchandandani, B. November 2021.

1993

year founded

\$46B+

assets

86

employees

Boston & San Diego

offices

100%

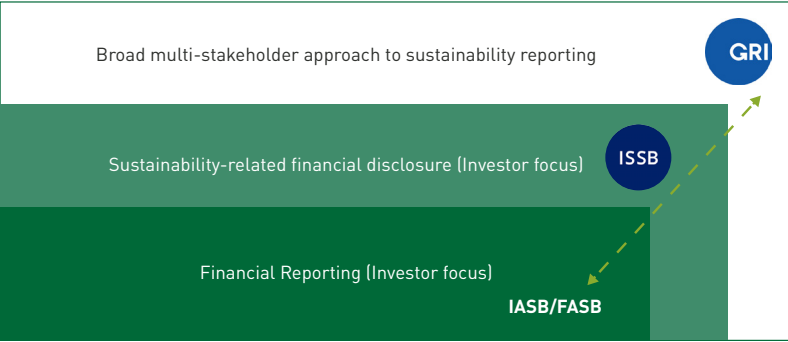
independently owned

All figures as of December 31, 2021.



Consolidation of various sustainability disclosure organizations with the international standards-setting body recognizes the importance of consistent ESG reporting guidance. It also helps to elevate ESG to the same order of importance as traditional financial standards. Finally, for corporations frustrated by the number of ESG reporting standards and frameworks, the merger helps to simplify ESG reporting.

Once the merger is complete in mid-2022, the new organization will create a “global baseline of sustainability disclosure” that would include cross-industry and industry-specific standards that are expected to incorporate SASB’s work to date. The sustainability disclosure will also reflect the thinking of the World Economic Forum and the TCFD. The IFRS envisions the ISSB sitting between the GRI and financial reporting standards in a nested ecosystem as summarized below.



Source: Value Reporting Foundation, December 21, 2021.

- GRI** This is the third year that Breckinridge’s report has been prepared according to GRI Standards: Core Option.
- SASB** This is the fourth year that Breckinridge has reported to the SASB framework.
- TCFD** This is the third year that Breckinridge has reported to the TCFD framework.

Governance of Sustainability

To have a true appreciation for this report and how engrained sustainability is in our culture, it may be beneficial to look at the governance of sustainability at the firm. Breckinridge is led by a Board of Directors which acts for the benefit of all stakeholders. As a Benefit Corporation, our Board includes a Benefit Director. The Board of Directors guides an Executive Committee that sets the strategic direction and trajectory of the firm and provides direction to departmental managers. Departmental managers are responsible for implementing operational initiatives.

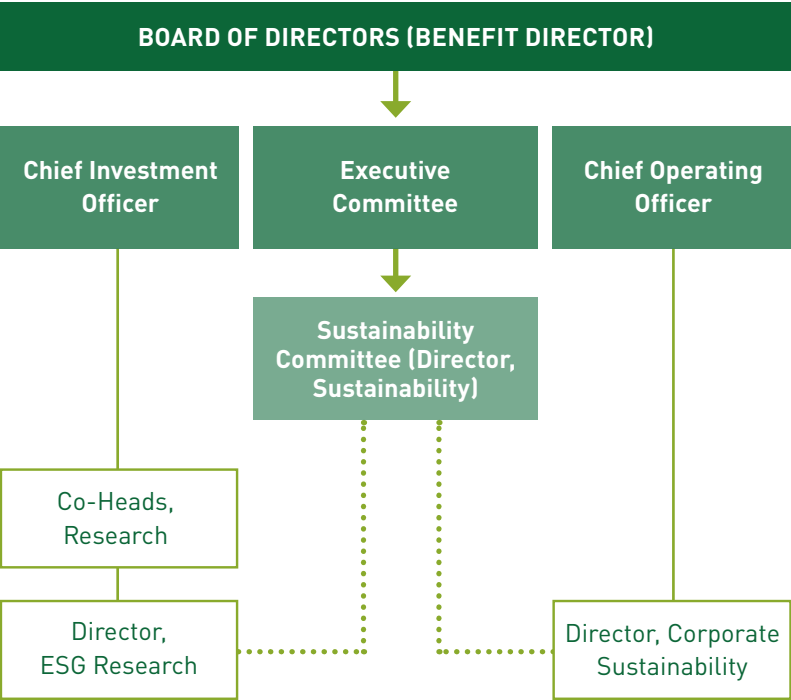
The Board of Directors and Executive Committee monitor and/or approve strategic sustainability initiatives.

The investment process is managed by the Investment Committee. ESG risks—including climate risk—are integrated into the investment process as directed by our co-heads, Research, and our director, ESG Research.

The firm’s corporate sustainability efforts are led by our director, Corporate Sustainability, who works with departmental managers as appropriate to implement sustainability initiatives within our business operations.

Both the director, ESG Research, and the director, Corporate Sustainability, work closely with the Sustainability Committee, which serves as the steward of Breckinridge’s sustainability efforts and is entrusted with responsibility for broadening firm-wide awareness and participation in sustainability initiatives. The Sustainability Committee is chaired by the director, Sustainability. The Sustainability Committee recommends sustainability policies to the Executive Committee, departmental managers and the Board of Directors. After implementation, the Sustainability Committee monitors and reports on policies.

HOW SUSTAINABILITY IS GOVERNED AT BRECKINRIDGE



As both an investor and a reporter, we look forward to continued developments in the reporting landscape and more precise and consistent reporting over time.



# A LETTER FROM OUR PRESIDENT



“

Nothing in this world can take the place of persistence.”

We are borrowing this sentiment, attributed to Calvin Coolidge, our 30<sup>th</sup> President, to open our 2021 corporate sustainability (CSR) report. In this report, we will highlight progress we have made toward more sustainable operations. We also will openly acknowledge the substantial work we see ahead of us.

The theme of persistence towards progress is intrinsic to our firm. As a certified B Corp and a Massachusetts-registered Benefit Corporation, we are responsible for measuring our own performance on key sustainability issues. Throughout this report, you will gain insights about our team’s commitment to fully understanding and improving how our actions affect all stakeholders: customers, employees, suppliers, and communities.

During 2021, we addressed a wide range of issues that help to constitute our sustainable business approach. In the summary and index sections of the report, you will find details on activities and measurements related to human capital, corporate citizenship, risk management in our technology and investment operations, business ethics, the client experience, our ESG investing activities, operations and supply chain management, and our sharing of intellectual capital through collaborations and publications, including our inaugural engagement report released last year.

We also focused on several initiatives related to our advancement of DEI. In addition, we entered into a new global asset management initiative intended to accelerate the pathway to net-zero greenhouse gas (GHG) emissions by 2050, in alignment with the Paris Accords. You will read more about these efforts in spotlight discussions included in the report.

A decade ago, Breckinridge embraced a leadership role when we integrated ESG analysis into our investment process. That was a time when few fixed income asset managers considered ESG risks. Our conviction guided development of risk frameworks that we use to evaluate ESG factors of bond issuers. A sense of accountability guided integration of sustainability into our own business operations.

Being committed to a goal means persisting in the journey toward it. Obstacles are inevitable and they must be overcome. When needed, course corrections must be made. Persistence enables leaders to advance along the path despite challenges, and to inspire others to follow. We aspire to building that legacy of persistent leadership at Breckinridge.

In past CSRs, we have often described the journey we are on and the roadmaps we follow to guide our progress toward sustainability. Throughout our journey, it is the people of Breckinridge—our employees and stakeholders—who help to drive the firm to achieve. It is their persistence that drives our collective progress. I have great respect for their efforts and sincere appreciation for their fine work.

As always, I also welcome your questions about our results and the progress we still plan to achieve.

Sincerely,

**Peter B. Coffin**  
President  
Breckinridge Capital Advisors



# B CORP & BENEFIT CORPORATION DESIGNATIONS

*Using B Corp to benchmark progress*

Being a B Corp means balancing profits with purpose and considering the impacts of our business decisions on all our stakeholders, not just our shareholders. We have several engagement approaches across our stakeholder universe to ensure we stay apprised of our place in, and our impacts on, the broader ecosystem. Ultimately our goal is to operate a business where our people can thrive, where we limit our negative impacts on the planet, and where our clients and communities can benefit. As investors, we know this makes us better positioned to serve our clients for the long term.

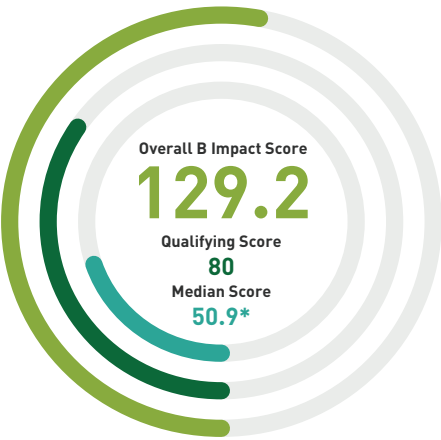
## OUR STAKEHOLDERS AND HOW WE ENGAGE

Clients	Employees	Industry Partners
<ul style="list-style-type: none"><li>E-mail or phone conversations</li><li>In-person meetings</li><li>Reporting</li><li>Thought leadership</li><li>Conferences</li><li>Social media</li></ul>	<ul style="list-style-type: none"><li>Manager one-on-ones</li><li>Performance assessments</li><li>Quarterly update meetings</li><li>Educational seminars</li><li>Volunteer opportunities</li></ul>	<ul style="list-style-type: none"><li>Collaborations</li><li>Case studies</li><li>Engagement calls</li><li>Financial support</li></ul>
Suppliers	Community	Industry Peers
<ul style="list-style-type: none"><li>Questionnaires</li><li>Direct conversations</li></ul>	<ul style="list-style-type: none"><li>Volunteering</li><li>Charitable donations</li><li>Board memberships</li></ul>	<ul style="list-style-type: none"><li>Conferences</li><li>Panels</li><li>Thought leadership</li><li>Working groups</li></ul>

## The B Impact Assessment

As a B Corp, we can't just say we have sustainable business practices. Every three years, we must recertify with the nonprofit organization B Lab. The certification process is a rigorous 200+ question assessment (specific to sector, geography, and size) covering the topics of community, environment, workers, governance, and customers. Once the assessment is complete, an intensive audit process verifies that questions have been answered honestly and accurately. If after the audit we score above 80, we can maintain B Corp certification.

The median score for ordinary businesses that complete the assessment is currently 50.9.<sup>2</sup> Our most recent assessment was completed in late 2020 and verified in June of 2021. We scored 129.2, increasing our previous assessment's score by 13.1 points. This verification shows that we meet the highest standards of third party-verified social and environmental performance.<sup>3</sup> The B Corp assessment serves as a useful benchmarking tool to set goals and improve ESG performance over time.



### Impact Area Scores

- Governance: 20.7
- Workers: 37.1
- Community: 20.1
- Environment: 8.1
- Customers: 42.8

\*B Impact Scores are compared against all businesses that have completed the B Impact Assessment. Breckinridge's most recent assessment was June 2021. Scores may not add up to 129.2 due to rounding.

<sup>2</sup> "Breckinridge Capital Advisors Overall B Impact Score," B Corporation, June 2021. Ordinary businesses include companies that are not in the same industry as Breckinridge.  
<sup>3</sup> The highest overall impact score a company can receive is 200. Per B Lab, scores above 80 are considered meeting the highest standards for third party-verified performance. In addition to the assessment, certified B Corps must pay annual fees to retain their certification status. First time submissions incur a submission fee. Additional information on the certification process can be found here: <https://usca.bcorporation.net/process-requirements-fees/>.



B Corp certification requires the adoption of a legal framework to help protect mission through capital raises and leadership changes. For most companies, the requirement is either incorporating as a *Benefit Corporation* or amending a company’s operating agreement to include mission-aligned language. Breckinridge has been incorporated as a Benefit Corporation in Massachusetts since 2013. This designation requires us to incorporate accountability and transparency into our organization and supports our broader consideration of impact on our clients, society, and the environment to create long-term sustainable value.

## Best For The World

Each year, B Lab releases lists honoring the top performing B Corps in each impact category (according to size) in its “Best For The World” lists. Breckinridge has received several such honors over the years. In 2021, we qualified for *Best For The World: Governance*, meaning we managed to score in the top 5% of all B Corps across the globe in this category on our B Impact Assessment. According to B Lab, the governance section “evaluates a company’s overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. Benefit Corporation designation) or corporate governing documents.”<sup>4</sup>

## B Corp Community

Being a B Corp also means we are part of an impressive community of organizations dedicated to using their businesses to solve some of the world’s most pressing challenges and collaborating with each other in the process. We stay up to date with the initiatives of our fellow B Corps through the B Lab communication channels, and we engage with our local community through the *B Local Boston* chapter and the New England B Corp Leadership Development Conference. We enjoy sharing our knowledge with the community and learning from others to collectively use our businesses as forces for good.

<sup>4</sup> As of 12/31/21 there were over 4,500 B Corps across the globe.

## A Letter from Our Benefit Director

As Benefit Director of Breckinridge, I am pleased to report that the company continues to build out its deep commitment to sustainability at all levels—corporate, investment process, and stakeholder engagement. As the accompanying report sets out in detail, this ongoing commitment requires patient implementation and persistent elaboration to overcome the challenges of incorporating material issues of sustainability into the operations and investment processes of the firm. The adoption of meaningful and deep practices of sustainability that enhance the firm and its capacity to serve its clients at its accustomed level of excellence require a learning environment that provides an opportunity to reflect, refine, and improve as new sustainability data and practices become available. Breckinridge’s long-term commitment to incorporating sustainability concerns allowed the firm to persist in refining its practices throughout 2021 in spite of the difficulties of the work.

Over the course of 2021, Breckinridge continued to deepen its work on DEI within Breckinridge itself, and to sharpen an ongoing commitment to assessing climate risk across all areas of the firm and its investments. As detailed in the following pages, Breckinridge adopted a robust and comprehensive strategy to achieve a high standard of DEI within the firm and to consider DEI issues within the investment process. The hard work of implementation then ensued and continues into 2022. A firm-wide Climate Policy and Framework for Climate Action was adopted in 2021 as well.

Further, after a year of close study of the merits and implications of a commitment, Breckinridge determined to commit to the Net Zero pledge that will have profound implications for the firm and its investment process in the coming years. This pledge underscores the firm’s integrity in practicing sustainability internally and in providing leadership externally in the transition from a fossil fuel-reliant to a carbon neutral economy.

Finally, it must be noted that in the extraordinary times that COVID continued to present throughout 2021, Breckinridge’s careful attention to institutional sustainability served the firm well. Uninterrupted service to clients at Breckinridge’s customary level of excellence has continued throughout the pandemic, thanks to solid risk management, disaster recovery, and business continuity planning that enabled the firm to continue to work remotely for much of 2021. As we look forward to returning to more normal work conditions in 2022, we retain the confidence that as needed, we have the capacity to pivot to remote work quickly and effectively should the need arise.

In summary, I am pleased to report that, in the opinion of the Board, the company has acted well in accordance with its general benefit purpose in all material respects during 2021, and that the directors and officers have complied with the duties of their respective positions in considering the impact of Board and management decisions on the array of Breckinridge’s stakeholders.<sup>5</sup>



**Anne Stetson**  
Benefit Director

<sup>5</sup> Reference is made specifically to Massachusetts General Laws Chap. 156E, subsection 10(a) and 12(a).



# MATERIALITY MAP

A focus on what matters most

Our Materiality Map is our roadmap for navigating our sustainability strategy. It is comprised of a list of material topics, ranked in order of importance by our stakeholders, as gathered from a survey in 2017. The topics were selected based on SASB’s standards for the asset management and custody activities industry, and the approach recommended by the GRI. Although all seven topics are material to our business, Business Ethics is the most material according to our employees, management, and Board.

We believe materiality can be dynamic. New topics can surface over time and others can bubble to the top in terms of strategic opportunities and risk mitigation. Moving away from the structure of our several previous corporate sustainability reports, this year we are choosing to highlight, in depth, the areas that commanded the most of our attention and where we made the most progress. Those topics are Net Zero, which is related to ESG Integration in Financial Analysis and Operations & Supply Chain, and Diversity, Equity, and Inclusion which we consider a Human Capital Management priority. We also include a high-level summary of the continuing efforts and progress made in the additional categories later in the report.

## SUSTAINABILITY FACTORS AND FOCUS AREAS

### Business Ethics



- Continuing enhancements to compliance efforts
- Implementing sound governance policies with a long-term focus
- Remaining committed to disclosure and transparency

### Human Capital Management



- Enhancing our commitment to professional development
- Ongoing efforts to improve employee engagement
- Establishing a road map to drive employee diversity/inclusion
- Committing to employee wellness and work-life balance

### Client Experience



- Ongoing monitoring and measurement of client satisfaction
- Improving client communication and reporting
- Expanding client-based events

### Risk Management



- Ongoing focus on data security policies and training
- Continuing enhancements to enterprise risk management and oversight
- Conducting regular independent third-party audits

### ESG Integration in Financial Analysis



- Continuing enhancements to ESG research and issuer engagement
- Ongoing ESG and sustainability-related thought leadership
- Remaining committed to ESG-related partnerships and collaborations

### Corporate Citizenship



- Expanding employee participation in our Ambassador Program
- Continuing to increase volunteer hours and employee participation
- Remaining committed to charitable giving

### Operations & Supply Chain



- Analyzing sustainability in vendor selection and management
- Assessing the environmental impact of our internal operations
- Reducing each employee’s environmental impact



# NET ZERO COMMITMENT

*Embarking down the long road ahead*

In 2021, Breckinridge joined with over 225 asset managers representing over \$50 trillion in managed assets, in committing to be net zero by 2050.

Breckinridge had already agreed to support the goals of The Paris Agreement in 2017 through the *We Are Still In* initiative, and subsequently the *America Is All In* initiative, however we believe the *Net Zero Asset Managers initiative* (NZAMi) adds intentionality to this support.

As noted in the introduction, sustainability at Breckinridge is governed in part by the firm's nine-person Sustainability Committee. Upon the launch of the NZAMi, management requested the committee consider the implications of signing the pledge.

**After several months of consideration and analysis, in December of 2021, the committee recommended the firm join the NZAMi. The recommendation was based on three key factors:**

1. We believe that climate change is a long-term secular risk with increasingly material investment implications.
2. We believe economies will indeed transition over time to be carbon neutral, which will create both risks and opportunities for our clients.
3. As an independent firm, founded on a mission to connect long-term investors with responsible borrowers, Breckinridge's culture reinforces a strong sense of purpose and stewardship.

**In our consideration of the NZAMi, the committee established the recommendation around four key elements:**

1. The commitment to NZAMi should be rooted in an investment case as defined by the investment team.
2. Breckinridge must be able to develop and advance a feasible and compelling net zero investment strategy, consistent with our firm's broader investment approach.
3. Each business unit within the firm must understand the specific commitment and business implications for their team.
4. Governance of the commitment must be top down. The commitment should be made by the firm's senior leadership team and include support from the Board of Directors.

Through the process, we have increasingly appreciated the firm's existing foundation that supports our commitment. This includes our status as a Benefit Corporation and our long-standing culture of sustainability, as well as our firm-level decision to establish climate governance with an approved *Climate Policy and Framework for Action* and TCFD reporting in our annual corporate sustainability report. It also is backed by our decade of integrating ESG factors into our investment process. We believe transition risk analysis is a logical extension of ESG integration. In 2013, we began engaging with issuers, specifically on sustainability topics, a practice which will lend itself well to the commitment of engaging with companies through the NZAMi. Ultimately, we believe that our commitment to net zero doesn't change our investment or firm philosophy, it reinforces it.

We were well-positioned to make this commitment as we have had longtime partnerships with climate-focused organizations like Ceres (including our participation in the Climate Action 100+ initiative), we've written several public comment letters regarding climate action, and are signatories to various initiatives including the America Is All In initiative, mentioned above, and TCFD.

In fact, as a signatory to America is All In, our director, ESG Research, and director, Corporate Sustainability, participated in the initiative's *Hill Day on Climate Action*, speaking with local congressional representatives about the importance of including climate-focused elements into the federal infrastructure bill.

On the operational side, while there are no set targets in the NZAMi for company emissions, it's expected that firms take this into consideration in their overall goals. Additionally, we're looking for commitments that are more focused on corporate operations to give us clearer guidance on goal setting.

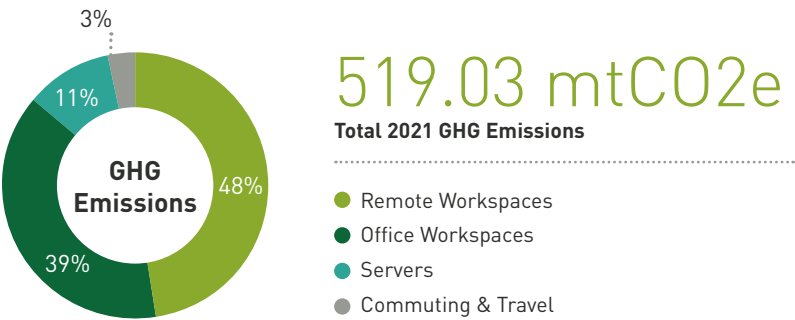


In the meantime, last year we set a goal for more meaningful and accurate measurement of emissions and we’re making incremental moves in that direction. Particularly in what we typically consider to be one of our highest emitting activities, business travel, we’ve implemented a new managed travel program. This program will give us the ability to track emissions more accurately using data directly from airlines, and estimated emissions from hotel stays and rental cars, which we’ve never measured before. Previously, we collected airline travel emissions through an annual employee survey, which was challenging to estimate for our frequent travelers. This program was officially activated in January 2022, just as our business travel began to increase post COVID restrictions, so our 2022 report will reflect these more accurate measurements.

In addition to travel, we made a change to our waste collection in 2021. We contracted with a vendor to help educate our staff and provide composting services for our Boston office. We’ve posted clear signage around the recycling and composting bins. As with any change in habit, composting and recycling properly takes time to get used to, but several staff members have been engaged to serve as advocates for the initiative. We should be receiving landfill diversion data after a year of service.

While our goal with measurement and environmentally conscious initiatives is to reduce our emissions as much as possible, we find carbon credits to be useful tools to help us recognize and work to offset our impacts. As such, we've connected with a third-party vendor that uses data, artificial intelligence and automation to connect us with high-quality forest projects that we can feel confident in supporting. We've purchased credits to cover all of our measured emissions for 2021. This year, we supported the [NIHT Topaiyo REDD+ Project](#) in Papua New Guinea. This area has been the world's largest exporter of tropical timber, making it a key focus for intervention. Funding this project provides landowners and communities an alternative source of income to help avoid the harvesting of the critical rainforests in the region.

BRECKINRIDGE 2021 EMISSIONS PROFILE



Calculations made through [EPA GHG Equivalencies Calculator](#).

Note: data from 2020 and 2021 may be unusual due to the remote and hybrid working situations including reduced travel and commuting.





# DIVERSITY, EQUITY AND INCLUSION

*Dedicated to DEI and pivoting when needed*

We made meaningful progress in 2021 on our approach to DEI, which falls under the category of Human Capital Management in our Materiality Map. We released our formal internal DEI strategy in March 2021, and the nine months that followed were spent advancing our efforts. The strategy is our roadmap with goals spanning the topics of talent acquisition, internships, compensation, HR policies, professional development, DEI education, inclusion, vendors, and reporting.

While we've seen an uptick in requests for DEI information, most of the encouragement for progress has been from our employees. Because Breckinridge is a B Corp, employees help to hold the firm accountable for balancing purpose with profit and driving positive internal change to benefit people and the planet.

## Education

We focused much of our energy in 2021 on DEI education. We felt that in order to work towards a common goal of a more diverse, equitable and inclusive Breckinridge, we needed to speak the same language and get comfortable having conversations on previously "taboo" topics with colleagues.

We hosted a Social Identities workshop for all staff, followed by a Behavioral and Organizational Change workshop for managers and leadership, both facilitated by our partners at [YW Boston](#). We also introduced annual Respect in the Workplace (harassment prevention) training for both of our office locations.

We developed a series of DEI Deep Dives, facilitated by our director, Corporate Sustainability. During our deep dives, groups of employees review, reflect on, and discuss content provided for specific DEI-relevant topics. In 2021, we introduced conversations around race and mass incarceration and LGBTQ+ experiences. We have seen 40 percent to 50 percent participation in these sessions, including leadership, all with lively conversation and positive feedback.

Similarly, spanning DEI education and inclusion, several employees requested that we start using pronouns in our e-mail signatures and elsewhere. To understand the subject more deeply and to guide our approach, we invited [Greater Boston PFLAG](#) to host a session on pronouns, gender identity, and LGBTQ+ allyship, and followed up with detailed information and instructions for those who wished to use pronouns moving forward.

## Diversity

From a quantitative aspect, we find DEI hiring goals in our policy to be the most challenging to meet, and the most visible aspects of progress both to internal and external parties. We spent the majority of 2021 looking to our network of recruiters to diversify the candidates they identify.

We spoke with several organizations serving underrepresented groups but were missing the mark in terms of alignment. At the end of 2021, we determined we needed to change course, so we're currently working to onboard a third-party software that will broaden our reach to diverse candidates.

We realize our reach may not be the only issue. There will always be inherent bias in interview processes, but we work to find solutions to limit it. This software will provide us the ability to perform blind resume reviews and rank candidates with skills-matching technology. We are also testing adjustments to our job posting language to include best practices in removing gender-coded language, additional information on our commitment to DEI and our inclusive benefits. Performance indicators on the success of these initiatives will be forthcoming.

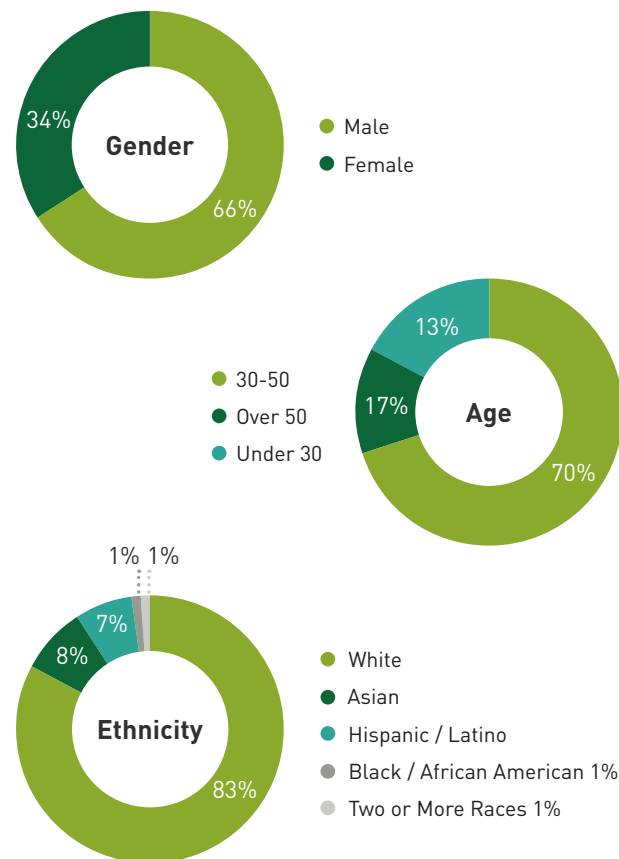
The challenges we've faced in hiring have been offset by the successes we've seen in our internship program. We continue our partnership with [Girls Who Invest](#)—a non-profit organization dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry—hosting two interns during the summer of 2021.

We began a dialogue with [Margarita Muniz Academy](#), an innovation school in the Boston Public Schools system, and the district's first dual language high school focused on bilingual students and English Language Learners. We placed our first intern from the partnership who was an alumnus of the school. In 2022, we are initiating our partnership with [Northeastern University Cooperative Education](#) program, with three interns slated to join us for the first half of the year. We will also have an intern in 2022 from the College for Social Innovation's [Semester in the City](#) program, a fully-credited fellowship program that gives undergraduate students the opportunity to spend a semester learning with mission-driven businesses.



## DIVERSITY BREAKDOWN OF BRECKINRIDGE EMPLOYEES AS OF 12/31/21

Below is a breakdown of Breckinridge employees by gender, age and ethnicity. Ethnicity was collected by a voluntary self-identifying survey administered by our director, Human Resources.



We formalized a partnership in 2021 with [UNCF Lighted Pathways Initiative](#), a program that provides scholarships and internships to African American undergraduate students interested in the investment management industry. We will be hosting our first intern in the summer of 2022. Our hope for these partnerships is that we provide meaningful experiences for our interns and over time develop a broader network of diverse and motivated young talent to connect with for future hiring needs.

## Equity

We completed our first compensation study in late 2020 to help address wage gaps for all roles, but particularly for women and people of color. The study identified a few minor discrepancies with comparable market compensation but no gender or racial disparity. We addressed those discrepancies with assistance from our third party consultant Compensation & HR Group. Moving forward, our plan is to conduct periodic compensation studies to help us forward our commitment to equitable pay.

Consistent with our commitment to ensuring equitable pay, we signed the [Women’s Empowerment Principles](#) (WEPs) in April 2021, and while some of our practices already met the goals, we intend to find additional ways to align with the principles. Just as our status as a B Corp challenges us to make progress through the B Impact Assessment, we believe the WEPs are useful to continue work towards a more equitable workplace for women.

## Inclusion

We know that we can educate and diversify our workforce, but without digging into our culture, we may unintentionally deter diverse candidates or lose them once they’re on board. An inclusive culture is imperative to attract and retain diverse talent, but we can’t assume that we’re inclusive without hearing from our employees. We worked in 2021 to develop a plan to review our culture of inclusion with partner [Language & Culture Worldwide](#) (LCW). With LCW’s help, we crafted and analyzed an employee survey covering various aspects of inclusion. Our next steps in 2022 are to gather a working group of employee volunteers to review the data and tackle some of the areas of opportunity outlined by LCW. That group will receive additional education, including an Intercultural Development Inventory® which will help the individuals approach issues from a new cultural awareness.

Martin Luther King, Jr. once said, “For all of us today, the battle is in our hands. The road ahead is not altogether a smooth one. There are no broad highways to lead us easily and inevitably to quick solutions. We must keep going.” While we’ve been working hard on our DEI initiatives, we know we have a long road ahead. Many of the issues in this space are decades—even centuries—old and are deep-rooted in the systems that perpetuate them. We know there will not be change overnight, but persistence is key, and we will continue to show up each day looking to make incremental steps in the right direction.

The Women’s Empowerment Principles are a set of Principles offering guidance to business on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women’s empowerment.



# OUR MATERIALITY MAP PROGRESS

*Retaining focus on ongoing procedures*

As noted previously, we've restructured our report to focus on the items that rose to the top in our efforts in 2021, but the additional topics remain material to our business. The following provides a high-level sample of some of the practices and progress in each of our material categories.

## Business Ethics

Focusing on ethics through the following practices allows us to meet regulatory requirements, better serve our clients' needs, and create a secure workplace for employees:

- Commitment to our core values
- Adherence to our code of ethics/conduct
- Providing firm-wide compliance training
- Administering quarterly and annual certifications
- Creating and maintaining written policies
- Fulfilling requirements of providing disclosure documents
- Collecting feedback and reporting

## Human Capital Management

Our people and their intellectual capital are the backbone of our business, and we seek to support them and provide an environment where they can thrive through:

- Offering low premiums on medical/dental coverage for employees and their families
- Offering adoption assistance (\$20,000) and fully paid parental leave (14 weeks)
- Providing tuition assistance to aid in professional development
- Matching a portion of employee 401K contributions
- Providing a series of mental health courses in 2021
- Creating an Employee Spotlight series in 2020/2021 to build connection among employees
- Offering virtual workout classes in our Fitness Friday series throughout the pandemic
- Onboarding care provider service in 2021/2022 to assist families in finding reliable care for child and adult dependents

## Client Experience

The past two years have been focused on strengthening our client relationships and providing a more tailored client experience by:

- Focusing on customizing relationship management outreach and touchpoints based on each relationship's needs and remote work scenarios to ensure the communication aligns with the client's preference in format and cadence
- Regularly including subject matter experts most tailored to clients' interests
- Creating higher volumes of client-driven content with topics that are top-of-mind to our investors
- Engaging in a study on ESG and investment grade fixed income (See Thought Leadership)
- Publishing our first ESG Issuer Engagement Report (See Thought Leadership)
- Hosting quarterly webinars to maximize client time and ensure they stayed up to date on market and firm developments
- Publishing quarterly metric-driven ESG reporting for our sustainable multi-sector strategies to allow for greater portfolio transparency
- Updating our website to comply with the Americans with Disabilities Act of 1990 (ADA) to ensure accessibility for current and potential clients

## Risk Management

We conduct and maintain the following to ensure we keep adapting and evolving:

- Internal and third-party risk assessments
- Policy reviews and updates
- Routine audits and testing, such as personal trading reviews, sensitive data access reviews, penetration tests, tabletop exercises, and marketing audits
- Ongoing risk management-related training and education for all staff
- Appointed committees assess and monitor enterprise risks and conflicts
- Business continuity and disaster recovery plan (BCP)
- Two geographically diverse office locations
- Two secure off-site data centers offering data and application redundancy



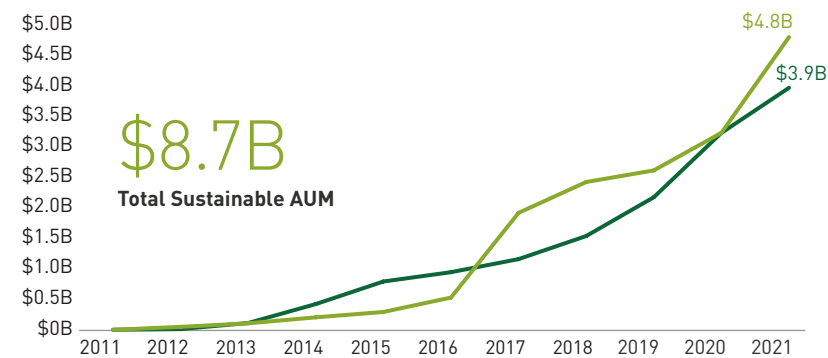
## ESG Integration in Financial Analysis

A decade of integrating ESG has helped us better understand our investments and our role in business and society, and our progress in the space this year included:

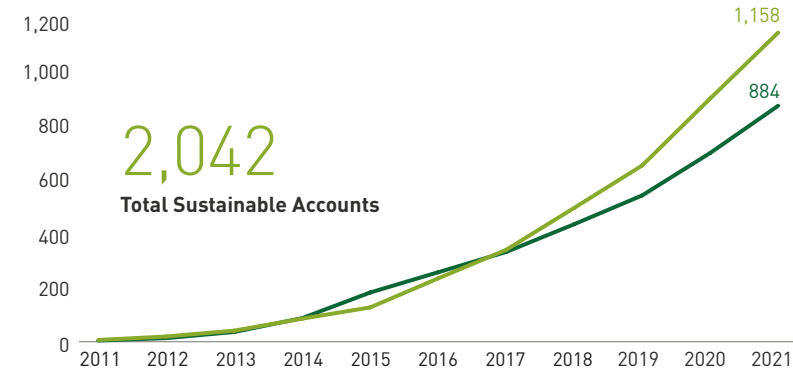
- Signing the Net Zero Asset Managers initiative, and developing new approaches to assessing climate transition risks for both corporate and municipal issuers
- Updating our municipal framework for evaluating school districts which helps us identify districts that are helping students achieve more with less, are engaging with their community, and that have sound governance and disclosure practices
- Enhancing our corporate ESG scoring model to improve the assessment of a company’s exposure and management of ESG risks, which included:
  - » Increasing the weighting in the model to reflect improved corporate ESG disclosure
  - » Augmenting the integration of the Bloomberg data collection process
  - » Reflecting additional input from an analyst’s opinion on sector materiality

## SUSTAINABLE STRATEGIES

### Assets Under Management



### Number of Accounts



- Government Credit and Fixed Income Sustainable Strategies
- Tax-Efficient Sustainable Strategies

Sustainable strategies AUM and number of accounts are as of 12/31/21. Breckinridge’s sustainable strategies selectively invest in bond issuers with above-average or improving ESG profiles and bonds that fund essential environmental, social or economic development projects.

## Corporate Citizenship

Giving back to our communities is engrained in our culture and we believe it creates a sense of purpose, values alignment, and teamwork among our employees through:

- Our commitment of donating 1 percent of gross revenues to charitable organizations, which totaled \$540,000 in 2021
- Offering employees up to three days of paid volunteer time off, and while we continued to experience challenges with volunteerism during the pandemic, our employees still managed to collectively volunteer 320 hours between a handful of outdoor events in the summer, virtual events, and independent opportunities
- Matching individual employee giving up to \$1,500 with 70 percent participation in 2021
- Continuing to maintain relationships and provide monetary support to our Ambassador Program organizations including *The Trustees of Reservations*, *Pine Street Inn*, *Frontier Nursing University*, *The Home for Little Wanderers*, and *The REAL Program*

## Operations & Supply Chain

We continuously look for ways to operate more efficiently, safely, and in a manner that has the least negative impact on the environment including:

- Our gradual and flexible return of employees to our Boston and San Diego offices in late 2021
- Consistent updates to COVID-19 protocols to align with the Centers for Disease Control (CDC), state and local guidance
- The completion of a vendor audit in 2021 as part of our B Corp recertification process, which we hope to use as a baseline to develop a vendor policy that will consider ESG factors
- The review of practices that could be more environmentally conscious such as the use of QR codes to replace printed content for conferences, our use of tablets to present in meetings, and switching to a sustainable B Corp printing service for remaining printing needs

## VOLUNTEERISM AND CHARITABLE GIVING IN 2021

### Donation Matching



**\$1,500**  
donation match  
per employee

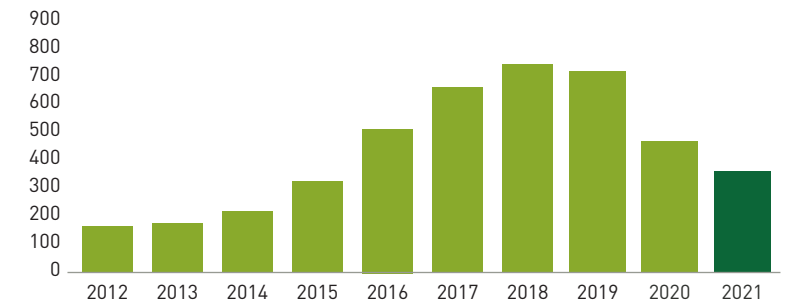
**70%**  
employee  
participation in 2021

### Volunteerism



**4,743**  
hours volunteered  
since 2012

**320**  
hours volunteered  
in 2021

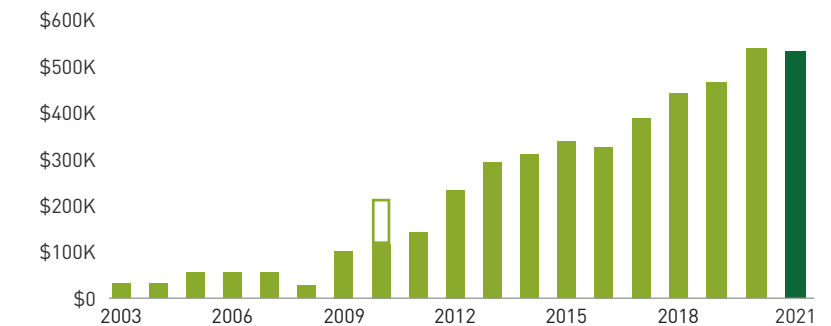


### Philanthropy



**\$4.3M**  
cumulative-to-date  
charitable giving\*

**\$540K**  
donations made  
in 2021



\*As of December 31, 2021, cumulatively since 2003.

Began tracking volunteer hours in 2012. Began tracking philanthropy in 2003. The outlined bar for 2010 corporate philanthropy denotes \$100,000 special donation made for Haiti earthquake relief.



# COLLABORATION AND THOUGHT LEADERSHIP

Collective action for positive change

## External Initiatives and Membership Associations

In addition to focusing on our own corporate social responsibility, we seek to advocate for system-level change. We support organizations that are using their expertise to lead the way for progress in areas like climate change, diversity and improved sustainability reporting. Our intention in these efforts is to advance sustainability practices, ESG research and related efforts. These efforts also embed sustainability into our corporate culture. By supporting and partnering with these organizations, we aim to create long-term value for our clients and the broader investor community. Presented here is a sample of the organizations we partner with, the initiatives we stand behind, and the advocacy letters we wrote or signed during the reporting period.

Strategic Partnerships	Initiated
Ceres	2012
Certified B Corp	2013 (recertified in 2021)
Value Reporting Foundation (formerly SASB)	2016
Social Progress Imperative	2017
Strategic Initiatives	Signed
Principles for Responsible Investment	2012
Ceres Climate Action 100+	2017
Task Force on Climate-related Financial Disclosure	2018
America Is All In	2020
Belonging Pledge	2020
Women’s Empowerment Principles	2021
Net Zero Asset Managers initiative	2021
Advocacy Letters	Written/Signed
GASB Project 3-34: Communication Methods in General Purpose External Financial Reports that Contain Basic Financial Statements: Notes to Financial Statements – an amendment of GASB Concepts Statement No. 3	Written 2021
SEC - Climate-related financial disclosure public comment	Written 2021
Tackling conflict mineral content in the semiconductor supply chain	Signed 2021



## Thought Leadership

### *Thoughtful perspectives shared with stakeholders*

Breckinridge maintained a commitment to sharing insights and perspectives with stakeholders throughout 2021. As our communities sought to shake off the restrictions imposed by the pandemic, we undertook a series of communications intended to support a safe return to more normal levels of activity.

These efforts were in addition to ongoing monthly and quarterly programs, that include *monthly and quarterly market commentaries* from our investment committee and its individual members, personalized client reporting, our *quarterly newsletter focused on ESG and sustainability topics*, and industry conference participation.

Entering the new year following an intense Presidential election, pandemic relief programs intended to support individual and economic recovery were the subject of in-depth reviews on our website:

- *Georgia Runoff Elections Shift 2021 Outlook*
- *Still Work to Do for Many Municipal Issuers After Credit-positive American Rescue Plan*
- *The Bipartisan Infrastructure Bill Is an Imperfect Credit Positive for the Muni Market*

Heightened attention to key social issues extended from 2020 to 2021. At Breckinridge, we acknowledge the material influence social equity in many forms can have on corporate and municipal bonds. Published commentaries helped maintain the focus on these prominent issues, including:

- *The Future Benefit of Gender Lens Investing*
- *Closing the Gender Gap*
- *Engaging with the Tech Sector on Diversity, Equity, and Inclusion*
- *Diversity, Equity, and Inclusion Keys LGBTQ+ Action at Breckinridge*

Early in 2021, Breckinridge published *Investment Grade without ESG Isn't Really Investment Grade*, a comprehensive report on our survey of institutional investors conducted in association with Greenwich Associates. The survey established that the institutions responding to the study are using ESG in investment grade fixed income more than any other asset class. The survey concluded that the connection between high grade bonds and ESG are so strong that investors should consider investment grade fixed income as a foundational asset class for the broader integration of ESG into their organizations and investment processes.

Breckinridge also published an in-depth review of its issuer engagement efforts across corporate, municipal and securitized bond markets in 2021. *Addressing the Materiality of Climate Change Risk through Issuer Engagement* is a comprehensive look at our work directly with bond issuers and industry experts on material topics related to ESG, financial and operational sustainability.

Additional reporting on news and trends among investing communities that we serve included:

- *Giving and Investing Trends Converge for More Powerful Philanthropy*
- *College Towns Provide Economic Resilience*
- *College, University E&Fs Incorporate ESG Approaches in Response to Stakeholders*
- *USCCB Updates Investing Guidelines to Address ESG Principles, Fossil Fuels, and Engagement*

Breckinridge also added education content to *Breckinridge.com* to support increased understanding of investing and ESG with a *Financial Glossary* and an *ESG Investing toolkit*.

During 2021, Breckinridge employees were quoted in various investment and ESG-related articles in major news outlets such as *Bloomberg*, *The Bond Buyer*, *Chief Investment Officer*, *CNBC*, *CNN*, *Financial Advisor*, *The Financial Times*, *FundFire*, *International Financing Review*, *Institutional Investor*, *Life and Health Advisor*, *MarketWatch*, *Pensions & Investments*, *U.S. News and World Report*, and *The Wall Street Journal*, for example.

### Events and Speaking Engagements

Our employees also offered their time at industry conferences during the year. Breckinridge supported several events as sponsor[\*].

- Pension Bridge ESG Summit 2021\*
- Climate Action Pursuit\* (4 events)
- Confluence Philanthropy Annual Gathering
- CleanTech IQ - ESG in Fixed Income & Finance Digital Forum\*
- Sustainable Investment Forum North America\*
- Evening with Ceres\*
- Volcker Alliance Special Briefing\*
- Fixed Income Analysts Society: Sustainable Municipal Investing Panel
- VRF/SASB Symposium\*

## Persistence Toward Progress

Every endeavor includes challenges. In this report, we hope to have demonstrated that in the face of challenges, persistence will endure as we progress toward our goals. Our 2021 corporate sustainability report highlights work we have undertaken during the year as defined by the values we hold as a company, as employees and as members of our communities. Proud of our accomplishments toward greater operational sustainability at Breckinridge, we also are open and transparent about the work that lies ahead of us. Our goal is to persist in our progress. We look forward to documenting our further accomplishments during the year ahead and reporting to our stakeholders.



GRI Content Index

We prepared this report in accordance with the Global Reporting Initiative (GRI) Standards: Core option, addressing disclosures that are relevant to our business. The following index provides readers with answers or reference locations where they can find disclosure information within this report. Please visit the *GRI website* for information on the GRI reporting framework.

Disclosure	Description	Report Location / Direct Answer
GRI 102: General Disclosures		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	See Introduction, pg 3.
102-2	Activities, brands, products, and services	See Introduction, pg 3.
102-3	Location of headquarters	125 High Street, Suite 431, Boston, MA 02110
102-4	Location of operations	125 High Street, Suite 431, Boston, MA 02110 and 4655 Executive Drive, Suite 820, San Diego, CA 92121
102-5	Ownership and legal form	Breckinridge is a private company. We are 100 percent owned by current and former employees and members of our Board of Directors. President Peter Coffin is the majority shareholder.
102-6	Markets served	See <a href="https://www.breckinridge.com/company/clients/">https://www.breckinridge.com/company/clients/</a> . Breckinridge has a nationally diverse (United States) client base with some concentration in large metropolitan areas across the country. In September 2021, Breckinridge announced a distribution partnership with London based Harrington Cooper, which will allow us to serve markets in the UK and EU.
102-7	Scale of the organization	See Introduction, pg 3.
102-8	Information on employees and other workers	All staff at Breckinridge are permanent, full-time employees.
102-9	Supply chain	In 2021 Breckinridge engaged just over 150 suppliers based in various locations across the United States, mostly in the technology and professional services sectors. When possible, Breckinridge purchases physical goods from B Corporations or other responsible companies.
102-10	Significant changes to the organization and its supply chain	No significant changes.
102-11	Precautionary Principle or approach	See Our Materiality Map Progress, Risk Management, pg 13. See <i>CSR supplement</i> .
102-12	External initiatives	See External Initiatives and Membership Associations, pg 15.
102-13	Membership of associations	See External Initiatives and Membership Associations, pg 15.
STRATEGY		
102-14	Statement from senior decision-maker	See A Letter from Our President, pg 5.
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	<i>Breckinridge Core Values</i> Our Materiality Map Progress, Business Ethics, pg 13.
GOVERNANCE		
102-18	Governance structure	See Introduction, Governance of Sustainability, pg 4.
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	See B Corp & Benefit Corporation Designations, pg 6.
102-41	Collective bargaining agreements	0% of Breckinridge employees are covered by collective bargaining agreements as labor unions are not prevalent in the asset management industry.
102-42	Identifying and selecting stakeholders	See B Corp & Benefit Corporation Designations, pg 6.



Disclosure	Description	Report Location / Direct Answer
102-43	Approach to stakeholder engagement	See B Corp & Benefit Corporation Designations, pg 6.
102-44	Key topics and concerns raised	See Materiality Map, pg 8.
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	As a privately-owned company with no subsidiaries, we do not file a consolidated financial statement.
102-46	Defining report content and topic boundaries	See Introduction, Approach to This Report, pg 3.
102-47	List of material topics	See Materiality Map, pg 8.
102-48	Restatements of information	Breckinridge did not restate any information from prior reporting.
102-49	Changes in reporting	There are no significant changes in reporting from the previous report.
102-50	Reporting period	Unless otherwise stated, this report covers information during the 2021 calendar year.
102-51	Date of most recent report	March 2022
102-52	Reporting cycle	Unless otherwise stated, annually.
102-53	Contact point for questions regarding the report	Please contact Kelly Wight, director, Corporate Sustainability, <a href="mailto:kwight@breckinridge.com">kwight@breckinridge.com</a> for any inquiries regarding the information in this report.
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared according to GRI 1: Foundation 2016 - Core Option
102-55	GRI content index	See GRI Content Index, pg 17.
102-56	External assurance	Breckinridge did not engage a third-party for external assurance.
GRI 200: Economic		
201	Economic Performance Management Approach	See Net Zero Commitment, pg 9.
201-2	Financial implications and other risks and opportunities due to climate change	See Net Zero Commitment, pg 9. See <a href="#">CSR supplement</a> .
205	Anti-Corruption Management Approach	See Our Materiality Map Progress, Business Ethics, pg 13.
205-2	Communication and training about anti-corruption policies and procedures	All our policies are intended to guide employees to ethical decision-making and actions, including anti-corruption practices. As an example, the key policies that speak directly to this are our 1) Code of Ethics, 2) Gifts and Business Entertainment, 3) Outside Business Activities, and 4) Political and Charitable Contributions. Internal policies require employees to provide periodic reporting of these activities and conflicts of interests to the Compliance department for evaluation. In addition, employees can report suspected or actual breaches of policies to the firm's CCO.
GRI 300: Environmental		
302	Energy Management Approach	See Net Zero Commitment, pg 9.
302-4	Reduction of energy consumption	See Net Zero Commitment, pg 9. See Our Materiality Map Progress, Operations and Supply Chain, pg. 13.
305	Emissions Management Approach	See Net Zero Commitment, pg 9.
305-1	Direct (Scope 1) GHG emissions	We do not have Scope 1 emissions. We lease both of our offices and space in our data centers, and we do not own a fleet of vehicles.
305-2	Energy Indirect (Scope 2) GHG emissions	For our scope 2 emissions in 2021, we included the utility bills from our two offices, two offsite data centers, and an estimate of the emissions from our employees' home offices. Our offices and data centers remained running throughout 2021, and our employees worked remotely throughout the year, with some individuals commuting to the office periodically. Total measured Scope 2 emissions: 502.2 mtCO2e
305-3	Other Indirect (Scope 3) GHG emissions	We currently track Scope 3 emissions for our employee commuting and business travel, which occurred infrequently in 2021. Total measured Scope 3 emissions: 16.83 mtCO2e.



Disclosure	Description	Report Location / Direct Answer
<b>GRI 400: Social</b>		
<b>401</b>	<b>Employment Management Approach</b>	<b>See Our Materiality Map Progress, Human Capital Management, pg 13.</b>
401-1	New employee hires and employee turnover	In 2021 we hired 9 employees and had 3 employees leave the firm. Of those hired, 8 were male and 1 was female. 3 were under 30 years old, 6 were 30-50 years old and 0 were over 50 years old. Of those who left, 2 were male and 1 was female.
401-3	Parental leave	100% of our 86 employees (57 males, 29 females) were entitled to parental leave in 2021. During the year, 5 employees (3 males, 2 females) took parental leave and all returned to work in the reporting period after their leave. Of the 5 employees whose one-year return-to-work date fell within the reporting period, all were still employed after 12 months. Return to work and retention rates are 100%.
<b>404</b>	<b>Training and Education Management Approach</b>	<b>See Our Materiality Map Progress, Human Capital Management, pg 13.</b>
404-2	Programs for upgrading employee skills and transition assistance programs	See <i>CSR supplement</i> .
404-3	Percentage of employees receiving regular performance and career development reviews	88% of employees in 2021 received their regular performance and development assessment. Of those who received it, 29% were female and 71% were male. 100% of executives, 100% of managers, and 88% of individual contributors received reviews. Individual contributors are employees who have no management responsibilities but instead contribute independently to the firms goals.
<b>405</b>	<b>Diversity and Equal Opportunity Management Approach</b>	<b>See Diversity, Equity and Inclusion, pg 11.</b>
405-1	Diversity of governance bodies and employees	See Diversity, Equity and Inclusion, pg 11 for employee breakdowns. Our Board of Directors consists of seven members, five of which are independent. Of the seven, 71% are male and 29% are female. All are over the age of 50 and all are White. Our Executive Committee is made up of eight members, 75% male and 25% female. Of those members, 62% are 30-50 years old and 38% are over 50. The committee is 88% White and 12% Asian.
405-2	Ratio of basic salary and remuneration of women to men	In 2020, we engaged a third-party vendor to conduct a market and salary range development analysis as well as a pay equity analysis. Minor discrepancies were found on the basis of "market to incumbent" rather than gender or race. The results were reviewed by our Executive Committee and the recommended adjustments were made in Q1 2021. We have committed to a pay equity analysis every other year, with the next scheduled for late 2022, and are developing a Pay Equity Policy.
<b>406</b>	<b>Non-discrimination Management Approach</b>	See <i>CSR supplement</i> .
406-1	Incidents of discrimination and corrective actions taken	For the year ended December 31, 2021, we have not identified incidents of discrimination, and no corrective action was needed.
<b>413</b>	<b>Local Communities Management Approach</b>	<b>See <a href="https://www.breckinridge.com/company/sustainability-initiatives/">https://www.breckinridge.com/company/sustainability-initiatives/</a></b>
413-1	Operations with local community engagement, impact assessments, and development programs	See Our Materiality Map Progress, Corporate Citizenship, pg 13.
<b>417</b>	<b>Marketing and Labeling</b>	See <i>CSR supplement</i> .
417-2	Incidents of non-compliance concerning product and service information and labeling	For the year ended December 31, 2021, we have not identified incidents of non-compliance concerning product and service information and labeling.
417-3	Incidents of non-compliance concerning marketing communications	For the year ended December 31, 2021, we have not identified incidents of non-compliance concerning marketing communications.
<b>418</b>	<b>Customer Privacy</b>	See <i>CSR supplement</i> .
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	For the year ending December 31, 2021, we have not identified substantiated complaints concerning breaches of customer privacy and losses of customer data.
<b>419</b>	<b>Socioeconomic Compliance Management Approach</b>	<b>See Our Materiality Map Progress, Business Ethics, pg 13.</b>
419-1	Non-compliance with laws and regulations in the social and economic areas	For the year ended December 31, 2021, we have not identified incidents of non-compliance with laws and/or regulations in the social and economic area.



SASB Standards Index

Breckinridge has been a longstanding supporter of the Value Reporting Foundation (formerly Sustainability Accounting Standards Board) Sustainability Accounting Standards Board (SASB) and its mission of standardized corporate sustainability reporting. We are members of SASB’s Alliance as well as its Investor Advisory Group. To advance our commitment, we adopted their recommended reporting standards for the Asset Management & Custody Activities Industry for the first time in 2018. The following index provides readers with our 2021 answers or reference locations where they can find disclosure information within this report. Please visit the [SASB website](#) for information on the SASB standards.

Code	Metric	Direct Answer
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	(1) \$440,300,003.92 (2) \$46,285,103,030.82
FN-AC-000.B	Total assets under custody and supervision	\$18,381,788,097.48

Topic	Code	Metric	Report Location / Direct Answer
Transparent Information and Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	(1) Zero (2) 0%
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	\$0
	FN-AC-270a.3	Description of approach to informing customers about products and services	General information is available on our <a href="#">website</a> . More specific information is available via the U.S. Securities and Exchange Commission (SEC) <a href="#">website</a> . Detailed information is provided to clients initially and updates are provided as a part of ongoing relationship management.
Employee Diversity and Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) nonexecutive management, (3) professionals and (4) all other employees	Breckinridge tracks employee diversity through a voluntary self-identifying survey. See page 11 for more information on DEI practices. Below, we provide a breakdown as of 12/31/21. <ul style="list-style-type: none"><li>Executive management (Executive Committee/C-Suite): 78% Male, 22% Female; 89% White, 11% Asian</li><li>Nonexecutive management (Managers of employees or business lines. Includes department heads, directors, and SD office manager): 78% Male, 22% Female; 94% White, 6% two or more races</li><li>Investment professionals: 69% Male, 31% Female; 83% White, 11% Hispanic or Latino, 3% Asian, 2% two or more races</li><li>All employees: 66% Male, 34% Female; 83% White, 1% Black, 7% Hispanic or Latino, 8% Asian, 1% two or more races</li></ul>
Incorporation of Environmental, Social and Governance Factors in Asset Management	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing and (3) screening	See page 14 of this report.
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	General information is available on our <a href="#">website</a> . Detailed information is provided to clients initially and updates and reporting are provided as a part of ongoing relationship management.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	It is our policy to vote proxies in the best interest of clients. When a proxy is received, we will engage our investment team to review the proposals and decide on a vote. Should a material conflict of interest be identified, we may engage a third-party consultant to recommend votes on the ballot. The recommended votes are binding. Proxy voting is handled internally by our compliance department. Since proxy voting in fixed income is a rare occurrence, we have implemented an <a href="#">engagement policy</a> that focuses on direct, strategic conversations with issuer management teams.
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	\$0
	FN-AC-510a.2	Description of whistleblower policies and procedures	As part of Breckinridge’s Code of Ethics and overall compliance program, employees are encouraged to report any actual or suspected violations of applicable laws or policies, as well as any fraud or illegal activity involving our business, to the firm’s CCO. All reports are treated confidentially to the extent permitted by law and investigated promptly. Breckinridge will use best efforts in keeping the employee’s identification confidential and will only disclose the identity when necessary. While we encourage employees to report violations to the firm, they also have an option to report violations to the applicable regulatory agencies, such as the <a href="#">Securities and Exchange Commission’s Office of the Whistleblower</a> .



TCFD Content Index

We prepared this index in accordance with the framework of the Task Force on Climate-Related Financial Disclosures. The following index provides readers with our answers or reference locations where they can find disclosure information within this report. Please visit the *TCFD website* for information on the TCFD reporting framework.

Disclosure Focus Area	Recommended Disclosure	Report Location / Direct Answer
Governance		
Disclose the organization’s governance around climate-related risks and opportunities.	a) Describe the board’s oversight of climate-related risks and opportunities.	The Board does not currently have a formal policy for direct oversight of climate-related risks and opportunities. They do discuss ESG integration in our investments, which includes climate metrics. Our Sustainability Committee worked with our Benefit Director to integrate sustainability-related conversations at the Board level, including climate change at least annually. The Board passed a supporting resolution underpinning our decision to sign the Net Zero Asset Managers initiative.
	b) Describe management’s role in assessing and managing risks and opportunities.	See Introduction, Governance of Sustainability, pg 4 and <i>CSR supplement</i> .
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See Net Zero Commitment, pg 9 and <i>CSR supplement</i> .
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	See Net Zero Commitment, pg 9 and <i>CSR supplement</i> .
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See Net Zero Commitment, pg 9 and <i>CSR supplement</i> . Note: In 2021, Breckinridge began working on measuring 2°C or lower scenario analysis within its corporate portfolio holdings, in line with signing the Net Zero Asset Manager initiative.
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization’s processes for identifying and assessing climate-related risks.	See Materiality Map, pg 8. See Collaboration and Thought Leadership, pg 15. See <i>CSR supplement</i> . See <i>2021 Issuer Engagement Report</i> .
	b) Describe the organization’s processes for managing climate-related risks.	See Net Zero Commitment, pg 9. See Our Materiality Map Progress, pg 13. See <i>CSR supplement</i> . See <i>2021 Issuer Engagement Report</i> .
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	See Net Zero Commitment, pg. 9. See Our Materiality Map Progress, pg 13. See <i>CSR supplement</i> . See <i>2021 Issuer Engagement Report</i> .
Metrics & Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<b>Investments:</b> See Our Materiality Map Progress, Client Experience, pg 13. See Thought Leadership, pg 16. See <i>CSR supplement</i> . To report on these metrics, Breckinridge provides quarterly reports to clients which include ESG reporting for clients in sustainable bond strategies. Additionally, we regularly publish thought leadership on sustainability in fixed income investing. <b>Corporate:</b> See B Corp & Benefit Corporation Designations, pg 6. See Net Zero Commitment, pg 9. We report on metrics through various reporting frameworks including our PRI questionnaire, B Corp B Impact Assessment and our CSR filed annually to the state of Massachusetts as part of our Benefit Corporation requirements. Additionally, we conduct an annual carbon audit to determine our impact on the environment due to our business operations such as travel, commuting and electricity use.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	<b>Scope 1:</b> We do not have Scope 1 emissions. We lease both of our offices and space in our data centers, and we do not own a fleet of vehicles. <b>Scope 2:</b> 502.2 mtCO2e. For our scope 2 emissions in 2021, we included the utility bills from our two offices, two offsite data centers, and an estimate of the emissions from our employees’ home offices. Our offices and data centers remained running throughout 2021, and our employees worked remotely throughout the year, with some individuals commuting to the office periodically. <b>Scope 3:</b> 16.83 mtCO2e. We currently track Scope 3 emissions for our employee commuting and business travel, which occurred infrequently in 2021. For more information, see Net Zero Commitment, pg 10.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See B Corp and Benefit Corporation Designations, pg 6. See Net Zero Commitment, pg 9. See Our Materiality Map Progress, ESG Integration in Financial Analysis, pg 14. See GRI Content Index pg 18.



Benefit Corporation Supplemental Information

The following information, which is required to be provided by benefit corporations, is intended to supplement the information contained in our annual sustainability report. Other required elements have been addressed in the sustainability report.

ANY CIRCUMSTANCES THAT HAVE HINDERED THE CREATION BY THE BENEFIT CORPORATION OF GENERAL PUBLIC BENEFIT OR SPECIFIC PUBLIC BENEFIT

There have been no circumstances that have hindered the creation of general or any specific public benefit.

BENEFIT DIRECTOR NAME AND ADDRESS

Anne Stetson

c/o Breckinridge Capital Advisors, Inc.  
125 High Street, Suite 431  
Boston, Massachusetts 02110

COMPENSATION PAID BY BENEFIT CORPORATION DURING THE YEAR TO EACH DIRECTOR IN THE CAPACITY OF A DIRECTOR

Director	2021 Compensation
Andrew Meyers	CONFIDENTIAL
Anne Stetson	CONFIDENTIAL
Cameron Read	CONFIDENTIAL
George Beal	CONFIDENTIAL
Martha Hodgman	CONFIDENTIAL
Peter Coffin	CONFIDENTIAL
Phillip Newell	CONFIDENTIAL

NAME OF EACH PERSON WHO OWNS 5% OR MORE OF THE OUTSTANDING SHARES OF THE BENEFIT CORPORATION EITHER: (I) OF RECORD; OR (II) BENEFICIALLY, TO THE EXTENT KNOWN TO THE BENEFIT CORPORATION WITHOUT INVESTIGATION

Peter Coffin  
Phillip Newell

STATEMENT OF ANY CONNECTION BETWEEN THE ORGANIZATION THAT ESTABLISHED THE THIRD-PARTY STANDARD, OR ITS DIRECTORS, OFFICERS OR ANY HOLDER OF 5% OR MORE OF THE GOVERNANCE INTERESTS IN THE ORGANIZATION, AND THE BENEFIT CORPORATION OR ITS DIRECTORS, OFFICERS OR ANY HOLDER OF 5% OR MORE OF THE OUTSTANDING SHARES OF THE BENEFIT CORPORATION, INCLUDING FINANCIAL OR GOVERNANCE RELATIONSHIP WHICH MIGHT MATERIALLY AFFECT THE CREDIBILITY OF THE USE OF THE THIRD-PARTY STANDARD

Breckinridge is committed to act with the highest standards of purpose, accountability and transparency for all its stakeholders. In order for us to observe our company on the continuum—that is, measuring and challenging our corporate sustainability efforts—it is imperative to us that the third-party standard remain independent and free of any material conflicts that could affect the credibility of the standard. To that end, we selected to become a certified B Corp because there is no connection between Breckinridge and B Lab, the non-profit organization that created and awards B Corp certifications to for-profit organizations.

IF THE BENEFIT CORPORATION HAS DISPENSED WITH, OR RESTRICTED THE DISCRETION OR POWERS OF, THE BOARD OF DIRECTORS, A DESCRIPTION OF:

(I) THE PERSONS THAT EXERCISE THE POWERS, DUTIES AND RIGHTS AND WHO HAVE THE IMMUNITIES OF THE BOARD OF DIRECTORS, AND  
(ii) THE BENEFIT DIRECTOR, AS REQUIRED BY SUBSECTION (D) OF SECTION 11

Our Board of Directors is accountable to all stakeholders as defined by our benefit corporation designation. As such, they supervise how we conduct ourselves and manage our business. Breckinridge has not dispensed or restricted the discretion or powers of the Board so that they can act for the benefit of all stakeholders.



