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## Breckinridge aligns investments, operations with Women's Empowerment Principles

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*Breckinridge supports the Women's Empowerment Principles (WEP) and encourages other business leaders to do the same. As a WEP signatory, Breckinridge formally signed a CEO statement of support that demonstrates commitment to advancing gender equity and women's empowerment in the workplace, marketplace, and community. The company's Chief Marketing Officer Dominica Ribeiro discussed the WEP with Chief Investment Officer Oggie Sosa recently and their conversation is presented here.*





## Speakers



**DOMINICA RIBEIRO**  
CHIEF MARKETING OFFICER



**OGGIE SOSA, CAIA, FRM**  
CHIEF INVESTMENT OFFICER

**Dominica Ribeiro:** Oggie, you have been in the investment industry for more than 20 years.

Tell me, how have concepts like gender diversity and empowering women in the workplace shaped your investing approach?

**Oggie Sosa:** There is a familiar saying, "Improving women's empowerment is not just the right thing to do. It's also good for business."

This concept is important to me as a manager of investment teams and as an investor.

As a manager, I assemble and work with diverse and successful investment teams.

As an investor, I see diverse management teams and workforces as essential to bottom-line financial results. Better financial results translate into better investment performance over time.

**DR:** We've talked about this in the past. Joining Breckinridge—a company with a decade-long record of environmental, social, and governance investing—was exciting for you.

Was that because ESG embodies diversity, equity, and inclusion concepts?

**OS:** In part, sure. Our founder and president, Peter, and this company was a pioneer in ESG investing, certainly in fixed income.

Working on developing ESG investment strategies earlier in my career, I was totally aligned with coming to a company that focuses on ESG in its investment process as well as in its operations.

I want to continue Breckinridge's legacy of advancing the ESG frameworks, and I want to continue Breckinridge's commitment to the values of sustainability in its own operations.

That includes advancing the role of women in our company and in our investment approach.

I believe companies that create a welcoming, empowering, inclusive workplace are also strengthening, deepening, and broadening their talent.

Diversity, equity, and inclusion improve employee morale and productivity, and drive higher levels of employee engagement and insight.

**DR:** Those values are the foundation of the Women's Empowerment Principles. The WEP were developed by UN Women and the UN. Can you talk a bit about the firm's views of these principles?

### THE WOMEN'S EMPOWERMENT PRINCIPLES

**Principle 1** – High-level corporate leadership

**Principle 2** – Treat all women and men fairly at work without discrimination

**Principle 3** – Employee health, well-being, and safety

**Principle 4** – Education and training for gender equity

**Principle 5** – Enterprise development, supply chain and marketing practices

**Principle 6** – Community initiatives and advocacy

**Principle 7** – Measurement and reporting

**OS:** The goal of the UN WEP is to help shift behaviors in the private sector to improve gender-responsive business conduct. Breckinridge believes that in every business, equal participation among genders at every level of a company, from the factory floor to the boardroom, can lead to positive financial outcomes.<sup>1</sup>

Recruiting, developing, and retaining women can help to foster diverse thinking, creativity, and innovation, all of which can make a company more competitive.

We also believe that companies with human resources policies that respond to women's and men's needs equitably tend to pursue inclusive recruitment practices, improved retention rates, reduced absenteeism and employee turnover, and an unbiased promotion system.



**DR:** Does Breckinridge's internal operations align with those ideas?

**OS:** Breckinridge seeks to operate in ways that are consistent with the ideals of the principles because we believe it is a better way to do business.

We have committed to goals to increase the number of women in our workforce. We conduct pay equity analysis and compensation studies every other year. We also maintain an active partnership with Girls Who Invest, which exists to bring women into financial services.

I'd add that in our reporting, we seek transparency in talking about what we have accomplished and the work that lies ahead of us. For example, we added to our corporate responsibility report in each of the last two years demographic breakdowns for board, leadership, and employees, which has been a component of our B Corp assessment for several years.

**DR:** Beyond internal considerations, how do the principles manifest in the marketplace?

**OS:** Well, let's look at three dimensions of the marketplace: first, where companies seek the best employees; second, where companies source materials used in their products; and third, where companies sell their products and services.

So, first, companies that promote gender equality may earn a more positive reputation that can enhance recruitment of high-quality staff and improve market share and profitability.

Second, fostering and developing a pool of suppliers that value diversity can promote innovation through new product, service, and solution development.

Investing in and engaging with women-owned businesses in corporate supply chains also improves the reputation of companies among their stakeholders and shareholders.

Third, a diverse and responsive workforce that reflects the composition of the company's consumers can help a company to better understand and meet the needs of their consumers. Keep in mind that women influence most purchasing preferences and decisions.<sup>2</sup>

One more that I'd add, companies that undertake community consultations with local leaders, including women and men, can establish strong community ties and programs that benefit all community members while advancing gender equality and sustainable development.

**DR:** And for investors?

**OS:** By holding companies to rigorous standards related to the treatment of women, investors can promote gender equality and encourage companies to balance purpose and profit.

We express our conviction in our Gender Lens customizations of multi-sector fixed income strategies that selectively invest in corporate issuers with median and above gender-related profiles.

As investors, we integrate ESG analysis in our investment process. ESG helps us to identify companies that demonstrate commitment to the policies and practices established by the WEP.

When investing our clients' assets, we believe issuers with positive extra-financial characteristics as framed by WEP and other factors supports their long-term performance prospects.

**DR:** Thanks, Oggie. As the company's chief marketing officer, I love being able to tell the story of our commitment to the WEP and to making progress on our goals to support them. I look forward to talking with you again for our audience to keep them up to date on our efforts.



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FOOTNOTES:

1. Dating to 2007, McKinsey & Company's report series *Women Matter: Gender Diversity, a Corporate Performance Driver*, identified a positive relationship between corporate performance and elevated presence of women in the workplace in several Western European countries.
2. "Women Drive Majority of Consumer Purchasing and It's Time to Meet Their Needs," *Inc.* magazine, July 2019.

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Breckinridge believes that the assessment of ESG risks, including those associated with climate change, can improve overall risk analysis. When integrating ESG analysis with traditional financial analysis, Breckinridge's investment team will consider ESG factors but may conclude that other attributes outweigh the ESG considerations when making investment decisions.

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Breckinridge's ESG analysis is based on third party data and Breckinridge analysts' internal analysis. Analysts will review a variety of sources such as corporate sustainability reports, data subscriptions, and research reports to obtain available metrics for internally developed ESG frameworks. Qualitative ESG information is obtained from corporate sustainability reports, engagement discussion with corporate management teams, among others. A high sustainability rating does not mean it will be included in a portfolio, nor does it mean that a bond will provide profits or avoid losses.

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