



CLIMATE TRANSPARENCY REPORT 2020

Loomis, Sayles & Company, L.P.

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-472C3305-1EBE-4FEF-8528-7BF8A5610145/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	-	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Loomis, Sayles & Company, L.P.
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2015
Region	North America
Country	United States
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Loomis, Sayles & Company, L.P.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

- Yes
 No

Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.

Loomis Sayles examined its approach to climate change in 2019. Some of the 2019 initiatives included:

- Assigned responsibilities for climate change to the Director of ESG, the ESG Committee, and the ESG Advisory Board
- Established a Climate Change Subcommittee under the ESG Committee
- Hired an external climate-focused consultant to carry out climate training for its analysts and portfolio managers, and to provide potential next steps or a roadmap for TCFD implementation
- In 2020, the CEO has identified climate change as a key focus area, and priority for the firm.

Loomis Sayles is planning to do further substantive work on climate change in 2020, including the use of tools such as climate related scenario analysis as recommended by the TCFD.

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

- Yes
 No

Explain the rationale

Loomis Sayles intends to publicly endorse the TCFD in 2020.

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

In 2019, Loomis Sayles committed to deepening its climate change-related technology and education, so that its investment teams will continue to have access to the best resources and tools available. The goal of this effort is to ensure that climate change data is easily integrated into investment analysis and decision making processes. The result of this work was a decision by the CEO, in collaboration with the ESG Committee and the ESG Advisory Board, that the focus area for the year will be Climate Change. Inclusion of climate change considerations in ESG integration across the organization is fully backed by the Management Committee and the Board.

Loomis Sayles provides ESG and climate-related tools, data, training and other resources to the investment teams. The teams determine the extent to which climate-related information is material for their own investment decision making process.

The Director of ESG has collaborated with the Head of ESG at our parent, Natixis, to create a Climate Change Working group, where the affiliates of Natixis will meet monthly via conference call, and share knowledge and best practices related to climate change. This initiative started in the first quarter of 2020.

No

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC**

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Members of the Board are involved in raising the prominence of climate-related issues at Loomis Sayles through internal communication channels, however no formal oversight and accountability structure currently exists. Official structure for oversight/accountability is currently being developed and will be made official in 2020.

ESG and climate-related initiatives at Loomis Sayles are led by Kathleen Bochman, the Director of ESG. Work on these topics is embedded throughout the firm and is supported by the following committee structure:

- The ESG Advisory Board approves major ESG initiatives and will meet bi-annually. The purpose of the ESG Advisory Board is to ensure that key ESG policies, strategies and initiatives are reviewed by a broad group of senior leaders. The Advisory Board includes executives from across the firm as well as portfolio managers from the investment teams.
- Senior management ESG committee is a bi-weekly meeting comprised of the Director of ESG, the CEO, General Counsel, Chief Operating Officer, Deputy Chief Investment Officer, Chief Investment Risk Officer to review ESG activity, strategy, and progress. Four members of this committee are also members of the Board of Directors of the firm. Decisions regarding allocation of resources, implementation of initiatives and selection of tools to support the ESG effort are among those taken by this committee. The committee is a subcommittee of the Risk Management Committee that meets quarterly, and matters of substance discussed at these quarterly meetings are subsequently reported to the Board of Directors
- The ESG Working Committee is a working group consisting of individuals from across the organization that: provide resources for ESG research; report to the PRI; collaborate with industry organizations, consultants, and clients, and communicate what is happening in the marketplace and within the firm related to our ESG initiatives. The committee meets bi-weekly, although it meets frequently during the first quarter to prepare the annual PRI Assessment. Each member of the ESG Committee has a full-time role at the firm but spends from 10% to 40% of their time on ESG work.
- ESG Subcommittees, which are led by Committee members, currently include the UNPRI, ESG Technology, ESG Marketing, Climate Change and ESG Best Practices
- The Climate Change Subcommittee was created in 2019, with a goal to ensure that the firm and the investment teams have the best data and tools available to integrate into their investment processes.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

In 2019, we began to assess scenario analysis using PACTA for both equity and fixed income portfolios. In 2020, we will assess other scenario analysis tools, including a wide variety of climate data from our vendors including MSCI, Sustainalytics and Bloomberg and the credit rating agencies.

- Yes, in order to assess future climate-related risks and opportunities

Describe

In 2019, we began to assess scenario analysis using PACTA for both equity and fixed income portfolios. In 2020, we will assess other scenario analysis tools, including a wide variety of climate data from our vendors including MSCI, Sustainalytics and Bloomberg, and the credit rating agencies.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

We continue to assess third party vendors and tools that will enhance our scenario analysis tools and capabilities. In addition to MSCI and Sustainalytics, we will be assessing Carbone 4, Carbon Delta, etc. We also expect to conduct education in 2020 about the variety of vendors and data available to incorporate into our investment teams' processes where applicable.

SG 13 CC**Mandatory to Report Voluntary to Disclose****Public****Descriptive****General****SG 13.4 CC**

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

Loomis Sayles has used PACTA climate scenario analysis tool as requested by certain clients. There will be more in depth climate-related scenario analysis to be done aligned with the TCFD in 2020.

- Incorporation into investment analysis
- Inform active ownership
- Other

**SG 13.5
CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

specify

Our product managers and client service teams have worked with the ESG Committee to assess this analysis as part of a response to clients.

**SG 13.6
CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

Loomis Sayles has assessed the PACTA climate scenario analysis tool as requested by one of our clients. We expect to be doing climate related scenario analysis aligned with the TCFD in 2020 where we intend to explore longer time horizons and additional scenario analysis tools.

- No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC**Voluntary****Public****General****SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	CO2e tons/\$M sales	3rd party vendors- MSCI and Sustainalytics
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	Weighted average carbon intensity and other metrics depending on vendor	3rd party vendors- MSCI and Sustainalytics
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	Weighted average carbon intensity and other metrics depending on vendor; GHG protocol	3rd party vendors- MSCI and Sustainalytics
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	metric tons of CO2e	3rd party vendors- MSCI and Sustainalytics
Carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	CO2e/Revenues \$mm	3rd party vendors- MSCI and Sustainalytics
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess portfolio exposure on an absolute and relative basis	Percentage of portfolio	3rd party vendors- MSCI and Sustainalytics

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Loomis Sayles equips its investment teams with resources, tools and trainings to aid them in measuring, assessing and monitoring certain climate-related risks. It is up to each investment team to make a decision if climate change is material for each transaction or portfolio. Loomis Sayles continues to expand the development of expertise for our teams through trainings, the acquisition of new resources and tools, hiring experts, partnering with NGOs and peers.

The Chief Investment Risk Officer is incorporating climate related data into his semi-annual reviews with each investment team.

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

1

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Fixed income vehicles with a prohibition on issuers with revenue from alcohol, tobacco and firearms, and one focused on sustainable issuers.

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Hedge funds

Brief description and measures of investment

These products contain certain themes that reflect the wishes of investors, in particular, a prohibition on investing in issuers with revenue derived from munitions, alcohol and tobacco, and one focused on sustainable investments.

No