



CLIMATE TRANSPARENCY REPORT 2020

Dana Investment Advisors

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/-FE521FF9-3CFB-4111-81E2-D3C803B1499D/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	Dana Investment Advisors
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2015
Region	North America
Country	United States
Disclosure of Voluntary Indicators	92% from 38 Voluntary indicators

Dana Investment Advisors

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

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We review carbon targets and pathways with emphasis on peer comparisons and best practices. We focus on geographic location of plants and the physical risks in these locations such as floods and droughts. To the extent possible, we push this through to supply chains, seeking the most material exposures. Lending and insurance exposure to physical risks is relevant as well. We have partnered with a university and a nonprofit in better understanding water risks, scarcity and resilience issues embedded in corporations and their supply chains. We are looking to extend this work to fixed income issuers.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Benchmarking, carbon and water intensity metrics and pathways to lower carbon exposure, and policy related efforts described in SG 01.6 CC above are here and now. Likewise, we believe government policy efforts are short term and will accelerate near term. This is happening in Europe and Asian markets, and while the U.S. lags, we believe this is inevitable. While renewables have grown significantly, much larger shifts (of scale) are still ahead. The 2 degree scenario analysis is a good framework for the intermediate term. We believe that environmental repercussions are happening sooner than consensus from one or two years ago anticipated.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

**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

Dana is pleased to be a supporter of TCFD. We are listed as such on TCFD's website and our own.

As part of Dana's Business and Compliance Risk Assessment, Dana has identified that material climate change may increase the risk of severe weather thereby increasing business continuity challenges. To address these risks, Dana has re-evaluated its business continuity and vendor assessments with this lens. This focused re-evaluation has led to several enhancements including installation of on-site back-up power generation, geographic diversification of operations, increased vendor engagement and installation of an automated employee notification system.

Our firm took a number of initiatives over the years to be more sustainable and reduce electricity consumption. We deployed LED lighting and used recycled materials for carpeting (fishing nets) since 2016 when we moved into new offices. The office design used other sustainable and energy-savings materials, maximized daylight and limited plastics and vinyls. We cooperated with our building's initiatives to conserve energy during the polar vortex that struck the Midwest in 2019. We eliminated plastic straw usage, participate in our building's waste and electronic recycling programs, and will continue to seek ways to improve. While every step makes a difference, we believe our most significant impact by far is the work that we do on ESG integration and engagement for our client portfolios.

- 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

specify

We report firm related news on such topics via articles on our website and LinkedIn.

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities 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

Other Chief-level staff or heads of departments

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

Portfolio managers

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

Investment analysts

- 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

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Portfolio Managers, including the Directors of Equity and Fixed Income and the CIO, are primarily responsible for oversight, accountability and implementation of ESG policies including climate-related issues and research. Analysts are responsible for assessment and management of climate-related issues. The Directors of Equities and Fixed Income along with the CEO and CIO work together to assure all RI process is implemented effectively. The ESG Analyst (i.e. dedicated staff) focuses on advocacy efforts including climate-related activities. A Portfolio Specialist focuses on leveraging our external relationships (i.e. Ceres, ICCR and others) with climate-related research, risk analysis, innovation and advocacy. The ESG Analyst and Portfolio Specialist work closely with the investment team. ESG meetings are held regularly (monthly and as needed), attended by all Portfolio Managers and Portfolio Specialists and Advocacy Analyst. Issues that impact both FI and Equity, significant changes to specific company ESG outlook, advocacy calendar and engagements, and more are discussed and appropriate action taken.

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

Describe

We do this on an industry and security level.

- 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]

U.S. securities with climate risk exposure due to various geographic locations of assets, for example, is considered in our research process. Our Carbon Sensitive ESG Equity, Sustainable Bond portfolio and Intermediate Bond Strategies exclude fossil fuels (Energy sector). In sector neutral portfolios we focus on stock selection and seek holdings with current levels and pathways of carbon emissions below benchmark and in line with our view that we are transitioning to low carbon economy.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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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
- Incorporation into investment analysis

Describe

We use our quantitative ESG model as well as various external models to assess and compare securities within sectors. We perform portfolio scenario analysis using two different frameworks, and use the security-specific outputs to identify weaknesses and opportunities in the portfolios. We examine the impact of alternatives at the portfolio level when considering substitutes for the individual securities identified by scenario analysis as weaknesses within our portfolios.

- 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

**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

We believe the next 5 years is pivotal in terms of addressing climate change. We believe this may follow a "gradually then suddenly" path, accelerating at a faster rate than many market participants expect. Our goal is to manage the volatility ahead, take advantage of opportunities, and drive the call to action on behalf of our clients. We see opportunities and pitfalls ahead, where a prepared ESG active manager is well-placed. The transition to a sustainable economy will extend well beyond the next decade, and we expect investors will anticipate this more and more.

- 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 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 type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input 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 checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> ISS, 2Dii PACTA
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 description (1)

Regulatory impacts

- 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

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		2	685	600	000
Currency	USD				
Assets in USD		2	685	600	000

Specify the framework or taxonomy used.

AUM in 14.2 reflects noted ESG integrated and/or screened Equity Strategies (see 1.5) and Fixed Income Strategies (Limited Volatility including Sustainable Bond portfolio, Social and Intermediate Bond).

- 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 14.5

Additional information [Optional]

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
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To monitor carbon footprint of portfolios relative to benchmarks and monitor the trend	Total Footprint (tCO2e)	Total carbon emissions across scopes 1, 2 & 3 calculated using third-party tool from ISS
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To monitor total apportioned carbon emissions of portfolios to track trends at the portfolio level and to compare versus benchmarks	Total Carbon Emissions (tCO2e)	Portfolio carbon emissions calculated from Trucost data using apportion method, and using third-party tool from ISS
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To monitor carbon intensity of our portfolios relative to our benchmarks, to monitor the trend of carbon intensity for our portfolios, and to identify engagement opportunities and portfolio risks	tCO2e / \$M (tons of CO2 equivalent emissions per million U.S. dollars of revenue); also, ratio of portfolio tCO2e/\$M to benchmark index tCO2e/\$M	Portfolio carbon intensity calculated from Trucost data using apportion method (for both emissions and revenue), and using third-party tool from ISS

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

Please describe

We do have a robust process for climate-related risks for our equity and corporate bond components of our AUM and the majority of these assets follow 14.6. A significant portion of total AUM are in mandates that hold U.S. government related instruments (i.e. short US Treasuries and Agencies). We did not include these in 14.6.

**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

Please describe

Proxy votes in favor of scenario analysis; we introduced the 2 Degree Scenario resolution at the Pioneer AGM in 2017; in 2018 held informal discussions with CDP and SASB regarding harmonization of their surveys and frameworks with TCFD to make participation easier

- 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
- No