



CLIMATE TRANSPARENCY REPORT 2020

GW&K Investment Management, LLC

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/-5175DE98-F801-4AB7-8C61-B2709B5026CA/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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

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	GW&K Investment Management, LLC
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 30 - 50 billion AUM
Main Asset Class	>50% Fixed Income SSA Internally Managed
Signed PRI Initiative	2011
Region	North America
Country	United States
Disclosure of Voluntary Indicators	20% from 38 Voluntary indicators

GW &K Investment Management, LLC

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.

GW&K is enhancing its investment analysis processes around climate-related risks and reporting across various investment strategies. Currently, GW&K has established climate-related risk procedures in our proxy voting policy and certain equity strategies.

As part of our ESG proxy guidelines, we seek to vote in favor of any climate-related proxies as well as vote to improve climate-related transparency. Our proxy voting process and approach extends beyond simply evaluating ESG risks highlighted by shareholder-sponsored proposals, but also includes proactively identifying major ESG risks even in the absence of shareholder-tendered resolutions addressing exposure to potential ESG pitfalls. This specifically includes greater disclosure of corporate environmental policies including greenhouse gas emissions reduction goals, comprehensive recycling programs, and other proactive means to mitigate a company's environmental footprint.

When GW&K investment teams are aware of deficiencies, our objective is generally to encourage individual company management teams to enhance disclosure for both risks and opportunities (revenues from products that aid in mitigating climate change).

GW&K's is currently in the process of reviewing its current investment analysis practices and may enhance its company research for climate change temperature abatement and global de-carbonization goals within certain investment strategies. Currently, certain GW&K equity strategies have developed a five-step process to identify, assess, quantify, engage, and monitor the risks and opportunities to ultimately generate alpha at the individual stock level.

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.

GW&K is enhancing its investment analysis processes around climate-related risk and reporting across various investment strategies. Currently, GW&K has established climate-related risk procedures in our proxy voting policy and certain equity strategies. These procedures include, but not limited, to eliminating exposure to positions most at risk and increase exposure to companies with best-in-class business models that may be beneficiaries of the transition towards limiting future global temperatures and hydrocarbon dependency.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

GW&K does not currently publicly support the TCFD, however, it is in the process of enhancing its procedures around climate-related risk to be more in line with TCFD recommendations.

**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

GW&K is enhancing its investment analysis processes around climate-related risks and reporting across various investment strategies. Currently, GW&K has established climate-related risk procedures in our proxy voting policy and certain equity strategies.

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

**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

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

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.
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GW&K maintains an ESG Committee that generally meets quarterly and more frequently as needed, to review the firm's ESG practices, including GW&K's policies and procedures, third-party services, and any issues that have arisen relating to ESG. The Committee is comprised of GW&K senior investment management and trading personnel, GW&K's Chief Compliance Officer, General Counsel, senior investment management and trading personnel, members of the Legal & Compliance Department, and managers of the GW&K's Marketing Department.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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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.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
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GW&K is currently in the process of reviewing vendors to enhance the reporting of ESG factors.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	To gauge carbon footprint against index.	Company VS Index	Company VS Index
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	To gauge carbon footprint against index.	Company VS Index	Company VS Index
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	To gauge carbon footprint against index.	Company VS Index	Company VS Index
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.	GW &K is in the process of potentially adding a vendor to enhance our firms carbon footprint/ climate change report.

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

Please describe

GW&K is enhancing its investment analysis processes around climate-related risks and reporting across various investment strategies. Currently, GW&K has established climate-related risk procedures in our proxy voting policy and certain equity strategies.

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.