



# CLIMATE TRANSPARENCY REPORT 2020

Trillium Asset Management

# 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/-F5914509-42F1-43FC-988D-85E914F72C51/79894dbc337a40828d895f9402aa63de/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	✓	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	✓	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	
<b>Name</b>	Trillium Asset Management
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 1 - 4.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2007
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	71% from 38 Voluntary indicators

# Trillium Asset Management

## 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.

All strategies since Trillium's inception incorporate the now common professional concepts of ESG integration. In terms of our assessment of climate-related risks, opportunities and related transitions, our investment process includes an assessment of material risks by industry sector and individual security, which include climate. Currently, approximately 50% of our strategies are fossil fuel free, while the remaining 50% employ optimization and transition concepts.

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.

All strategies since Trillium's inception incorporate the now common professional concepts of ESG integration. In terms of our assessment of climate-related risks, opportunities and related transitions, our investment process includes an assessment of material risks by industry sector and individual security, which include climate. Currently, approximately 50% of our strategies are fossil fuel free, while the remaining 50% employ optimization and transition concepts.

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

All strategies since Trillium's inception incorporate the now common professional concepts of ESG integration. In terms of our assessment of climate-related risks, opportunities and related transitions, our investment process includes an assessment of material risks by industry sector and individual security, which include climate. Currently, approximately 50% of our strategies are fossil fuel free, while the remaining 50% employ optimization and transition concepts.

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

**SG 07.8  
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

**ESG issues in asset allocation**

**SG 13**

**Mandatory**

**Public**

**Descriptive**

**PRI 1**

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



<b>SG 14.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

<b>SG 14.2</b>	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- 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.
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	trillions	billions	millions	thousands	hundreds
Total AUM		1	341	003	000
Currency	USD				
Assets in USD		1	341	003	000

	Specify the framework or taxonomy used.
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Assets as of 09/30/19. Our Global Equity, Fossil Fuel Free Core and Sustainable Opportunities strategy are Fossil Fuel Free.

- 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]

Approximately 50% of Trillium's AUM is managed in Fossil Fuel Free investment strategies.

In Trillium's core equity strategies, such as Large Cap Core and All Cap Core, we include energy names for diversification, but seek to invest in companies that are "best in class" in the industry. This approach also creates a platform for shareholder advocacy, which we engage with energy holdings in these core portfolios, as well as with our client's legacy holdings.

As a leader in the Investor Network on Climate Risk (INCR), Trillium regularly participates in efforts to promote policy solutions to climate change. This includes meeting with SEC commissioners to discuss climate change disclosures, joining other investors in sending letters to policy makers, and publishing op-eds on important tax credits to promote the new energy economy.

More information is available at: [https://trilliuminvest.com/wp-content/uploads/2019/10/FossilFuelFreeInvesting\\_.pdf](https://trilliuminvest.com/wp-content/uploads/2019/10/FossilFuelFreeInvesting_.pdf)

**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
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor and work to reduce		Please view impact reports linked below
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor and work to reduce		Please view impact reports linked below
<b>Carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor and work to reduce		Please view impact reports linked below

<b>SG 14.8 CC</b>	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
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All strategies since Trillium's inception incorporate the now common professional concepts of ESG integration. In terms of our assessment of climate-related risks, opportunities and related transitions, our investment process includes an assessment of material risks by industry sector and individual security, which include climate. Currently, approximately 50% of our strategies are fossil fuel free, while the remaining 50% employ optimization and transition concepts.

We produce annual impact reports which measure various climate related metrics, including the carbon intensity, of all of our strategies. They can be viewed here:

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-LCC-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-LCC-Impact-Assessment-Report_3Q2019.pdf)

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-SMID-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-SMID-Impact-Assessment-Report_3Q2019.pdf)

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-ACC-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-ACC-Impact-Assessment-Report_3Q2019.pdf)

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-SO-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-SO-Impact-Assessment-Report_3Q2019.pdf)

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-FOS-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-FOS-Impact-Assessment-Report_3Q2019.pdf)

[https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-GE-Impact-Assessment-Report\\_3Q2019.pdf](https://trilliuminvest.com/wp-content/uploads/2020/03/Trillium-GE-Impact-Assessment-Report_3Q2019.pdf)

- 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.