



LEA 02	Monetary	Gateway
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> To engage investor ESG objectives</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> To engage investor ESG objectives</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>

# RI TRANSPARENCY REPORT

## 2020

City of Chicago (City Treasurer's Office)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Private							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	-	n/a	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Private	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	🔒	n/a		✓					
FI 15	Engagement method	🔒	n/a	✓	✓					
FI 16	Engagement policy disclosure	🔒	n/a	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# City of Chicago (City Treasurer's Office)

## Reported Information

### Public version

### Organisational Overview

## 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.

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

22

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Public

Gateway/Peering

General



**OO 04.1**

Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		8	888	785	366
Currency	USD				
Assets in USD		8	888	785	366

- Not applicable as we are in the fund-raising process
- We are a sovereign wealth fund and choose to not report our AUM

## OO 06.1

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	84.62	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	3.82	0
Money market instruments	11.56	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges

## OO 06.2

Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

94.84	Developed Markets
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94.84

0.77	Emerging Markets
------	------------------

0.77

0.56	Frontier Markets
------	------------------

0.56

3.82	Other Markets
------	---------------

3.82

99.99%	Total 100%
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99.99%

### Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

	Fixed income SSA – engagement
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- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The Office of the City Treasurer does not have a formal program to directly engage SSAs. However, the Office of the City Treasurer engages in phone calls with issuers periodically regarding ESG related metrics. Additionally, the investment staff attends conferences annually such as GIOA where we engage with issuers. In 2019, the investment staff had the opportunity to meet with SSA issuers as well as US Government Agencies.

#### Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The Office of the City Treasurer does not have a formal program to directly engage Corporate (Financial) Boards/Leadership. However, the Office of the City Treasurer engages in phone calls with issuers periodically regarding ESG related metrics. Additionally, the investment staff does engage with corporate issuers at Host Regional Roadshows and through Investor Conference Calls periodically.

#### Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The Office of the City Treasurer does not have a formal program to directly engage Corporate (Non-Financial) Boards/Leadership. However, the Office of the City Treasurer engages in phone calls with issuers periodically regarding ESG related metrics. Additionally, the investment staff does engage with corporate issuers at Host Regional Roadshows and through Investor Conference Calls periodically.

#### Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The Office of the City Treasurer does not have a formal program to directly engage securitised issuers. However, the Office of the City Treasurer engages in phone calls with issuers periodically regarding ESG related metrics. Additionally, the investment staff does engage with corporate issuers at Host Regional Roadshows and through Investor Conference Calls periodically.

OO 11

Mandatory

Public

Gateway

General

**OO 11.1**

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

## Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

## Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

## Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

## Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

## Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

## Money market instruments

- We address ESG incorporation.
- We do not do ESG incorporation.

**OO 12****Mandatory****Public****Gateway****General****OO 12.1**

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

## Core modules

- Organisational Overview
- Strategy and Governance

## RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Closing module

- Closing module

Peering questions

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	98
	Emerging markets	2
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# City of Chicago (City Treasurer's Office)

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**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.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Sustainability factors shall be integrated into the City Treasurer's investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute the office's fiduciary duty.

Sustainability factors may be analyzed in a variety of ways, including, but not limited to: (1) direct financial impacts and risks; (2) legal, regulatory, and policy impacts and risks; (3) against industry norms, best practices, and competitive drivers; and (4) stakeholder engagement.

No

SG 01.6

Additional information [Optional].

As a government entity, the investment policy of the City of Chicago is determined by the City's legislative body. Currently, the State of Illinois has passed legislation mandating that all government bodies update their investment policy to require sustainable investment factors. The City of Chicago has updated the Municipal Code. In addition, the City Treasurer has updated the Investment Policy to reflect the State of Illinois mandate. The current integration of sustainable factors into the City's investments is being conducted under the prerogative of the City Treasurer.

SG 02

Mandatory

Public

Core Assessed

PRI 6

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

<https://www.chicagocitytreasurer.com/financial-transparency/investment-policy/>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- ESG incorporation approaches
- We do not publicly disclose any investment policy components

**SG 02.3**

Additional information [Optional].

The Office of the City Treasurer has added the following ESG/RI guidelines to the current Investment Policy. This addition will be published on the Office of the City Treasurer's website and will be available to the public.

**SUSTAINABILTY FACTORS**

Sustainability factors shall be integrated into the City Treasurer's investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute the office's fiduciary duty.

Sustainability factors may include, but are not limited to, the following:

- (1) Corporate governance and leadership factors.
- (2) Environmental factors that may have an adverse or positive financial impact on investment performance.
- (3) Social capital factors that impact relationships with key outside parties, which may impact investment performance.
- (4) Human capital factors that recognize that the workforce is an important asset to delivering long-term value.
- (5) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value as provided under the Illinois Sustainable Investing Act, 30 ILCS 238/1 et seq.

Sustainability factors may be analyzed in a variety of ways, including, but not limited to: (1) direct financial impacts and risks; (2) legal, regulatory, and policy impacts and risks; (3) against industry norms, best practices, and competitive drivers; and (4) stakeholder engagement.

**SG 03****Mandatory****Public****Core Assessed****General****SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

**6.0 ETHICS AND CONFLICT OF INTEREST**

It is the policy of the Office and in compliance with Section 2-156-080 of the Municipal Code that no person acting on behalf of the investment function in the Office shall, in any manner, have any interest, either directly or indirectly, in any investments in which the Office is authorized to invest; or receive in any manner, compensation of any kind, from any investments from the sellers, sponsors or managers of such investments. Investment officers and other staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment process program, or which could impair their ability to make impartial investment decisions. The City's Governmental Ethics Ordinance, Chapter 2-156 and State law limit the gifts that employees, officials, their spouses, and /or their minor children can accept from persons who have an interest in city business.

No

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

## Governance and human resources

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 07.1** Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

On a quarterly basis, the investment staff will review all rated positions in the portfolio and determine if the portfolio is meeting the standards set by the CIO. The portfolio must meet the following standards (1) more than 50% of the portfolio must be rated (2) all rated positions must have an average BBB ESG rating or above.

These standards are executed and monitored by the staff. More specifically, the staff will calculate the portfolio ESG rating using the MSCI ESG rating database and internal settled positions report of the portfolio. Should the portfolio not meet these standards, there are three outcomes set in place to reach compliance.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

1

**Promoting responsible investment**

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

In September 2018, Chicago became the first city in the world to become a signatory to the United Nations-supported Principles for Responsible Investment (UNPRI).

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
The Midwest Investors Diversity Initiative (“MIDI”)

**Your organisation's role in the initiative during the reporting year (see definitions)**

- Basic
- Moderate
- Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

The City Treasurer is a member of MIDI, a coalition of institutional investors dedicated to increasing racial, ethnic, and gender diversity on corporate boards of companies headquartered in Midwestern states. The City Treasurer meets with MIDI members monthly and participates in calls and letters to board members and CEOs to promote board diversity in the Midwest.

Other collaborative organisation/initiative, specify

The Thirty Percent Coalition

**Your organisation's role in the initiative during the reporting year (see definitions)**

- Basic
- Moderate
- Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

The City Treasurer is a member of the Thirty Percent Coalition, an organization dedicated to promoting gender diversity, including women of color, on corporate boards.

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

**Description**

The Office of the City Treasurer staff takes phone calls and meetings with various institutions and stakeholders to provide RI support and share RI processes and procedures. The office has provided RI



information regarding the ESG providers we utilize to the State of Illinois Treasury Office and Los Angeles County Employees Retirement Association.

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
  - Provided input and/or collaborated with academia on RI related work
  - Encouraged better transparency and disclosure of responsible investment practices across the investment industry
  - Spoke publicly at events and conferences to promote responsible investment
  - Wrote and published in-house research papers on responsible investment
  - Encouraged the adoption of the PRI
  - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
  - Wrote and published articles on responsible investment in the media
  - A member of PRI advisory committees/ working groups, specify
  - On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
  - Other, specify
- No

## Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

### SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

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

### Asset class implementation not reported in other modules

**SG 16****Mandatory****Public****Descriptive****General****SG 16.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Currently, the ESG service provider does not include securitised products in their coverage. For securitised products issued by US agencies, the office utilizes the esg provider's issuer level ESG rating. The office uses these ESG ratings because the securities are backed with a promise by the issuer.
Cash	Cash deposits are held by financial institutions. The office utilizes the issuer level ESG rating for each financial institution.
Money market instruments	The office reviews the holdings of the individual money markets. If the majority of the composition is one issuer then we utilize the ESG rating of that issuer.

### Communication

**SG 19****Mandatory****Public****Core Assessed****PRI 2, 6****SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
<b>Disclosure to public and URL</b>	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Broad approach to RI incorporation</li> <li><input type="radio"/> Detailed explanation of RI incorporation strategy used</li> </ul>
<b>Frequency</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>
<b>URL</b>	<a href="https://www.chicagocitytreasurer.com/home/esg/">https://www.chicagocitytreasurer.com/home/esg/</a>

**SG 19.2** Additional information [Optional]

The Office of the City Treasurer is required to disclose to the City Council annually. In addition, a public forum is disclose asset class specific information is conducted annually.

# City of Chicago (City Treasurer's Office)

## Reported Information

Public version

Direct - Fixed Income

## PRI disclaimer

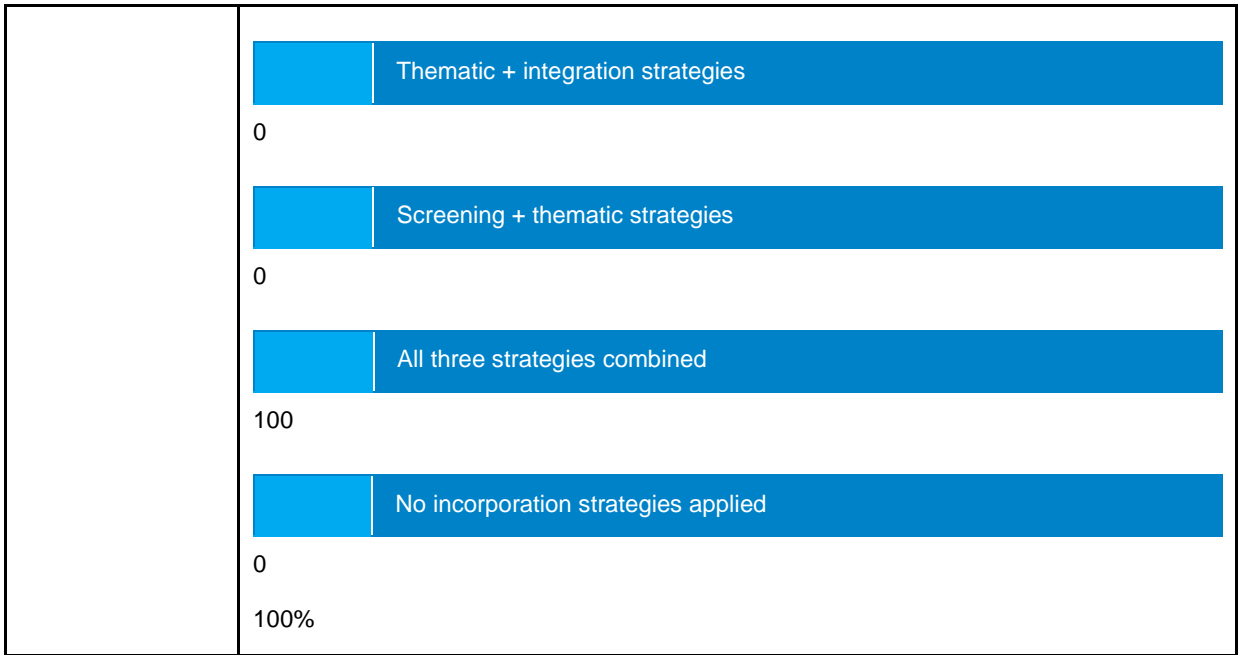
This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information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

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <tr> <td data-bbox="480 226 603 293">0</td> <td data-bbox="603 226 1458 293">Screening alone</td> </tr> <tr> <td data-bbox="480 371 603 439">0</td> <td data-bbox="603 371 1458 439">Thematic alone</td> </tr> <tr> <td data-bbox="480 517 603 584">0</td> <td data-bbox="603 517 1458 584">Integration alone</td> </tr> <tr> <td data-bbox="480 663 603 730">0</td> <td data-bbox="603 663 1458 730">Screening + integration strategies</td> </tr> <tr> <td data-bbox="480 808 603 875">0</td> <td data-bbox="603 808 1458 875">Thematic + integration strategies</td> </tr> <tr> <td data-bbox="480 954 603 1021">0</td> <td data-bbox="603 954 1458 1021">Screening + thematic strategies</td> </tr> <tr> <td data-bbox="480 1099 603 1167">100</td> <td data-bbox="603 1099 1458 1167">All three strategies combined</td> </tr> <tr> <td data-bbox="480 1245 603 1312">0</td> <td data-bbox="603 1245 1458 1312">No incorporation strategies applied</td> </tr> <tr> <td data-bbox="480 1357 603 1402">100%</td> <td></td> </tr> </table>	0	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	100	All three strategies combined	0	No incorporation strategies applied	100%	
0	Screening alone																		
0	Thematic alone																		
0	Integration alone																		
0	Screening + integration strategies																		
0	Thematic + integration strategies																		
0	Screening + thematic strategies																		
100	All three strategies combined																		
0	No incorporation strategies applied																		
100%																			
Corporate (financial)	<table border="1"> <tr> <td data-bbox="480 1444 603 1512">0</td> <td data-bbox="603 1444 1458 1512">Screening alone</td> </tr> <tr> <td data-bbox="480 1590 603 1657">0</td> <td data-bbox="603 1590 1458 1657">Thematic alone</td> </tr> <tr> <td data-bbox="480 1736 603 1803">0</td> <td data-bbox="603 1736 1458 1803">Integration alone</td> </tr> <tr> <td data-bbox="480 1881 603 1948">0</td> <td data-bbox="603 1881 1458 1948">Screening + integration strategies</td> </tr> </table>	0	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies										
0	Screening alone																		
0	Thematic alone																		
0	Integration alone																		
0	Screening + integration strategies																		



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	100
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Screening is required by multiple City of Chicago ordinances.

The Office of the City Treasurer implements thematic ESG strategies in our portfolio to invest in organizations behaving in accordance with the public interest on issues such as climate change, income inequality, air quality, water pollution, and human rights.

ESG integration is utilized to supplement financial credit reviews and overall portfolio risk management in order to enhance our fiduciary duty to preserve capital.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	<b>SSA</b>	<b>Corporate (financial)</b>	<b>Corporate (non-financial)</b>	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>FI 04.2</b>	Describe your approach to screening for internally managed active fixed income
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The Office of the City Treasurer is guided by ordinance to limit investments into oil and gun manufacturers.

<b>FI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 06.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**(B) Implementation: Thematic**

<b>FI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 08.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

<b>FI 08.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
----------------	--

The Office of the City Treasurer does not have an established policy.

<b>FI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 09.1</b>	Indicate how you assess the environmental or social impact of your thematic investments.
<input type="checkbox"/> We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments <input type="checkbox"/> We ensure independent audits are conducted on the environmental or social impact of our investments <input type="checkbox"/> We have a proprietary system to measure environmental and social impact <input type="checkbox"/> We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above	

**(C) Implementation: Integration**

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
<p>The Office of the City Treasurer uses the MSCI ESG research platform for individual issuer credit review and utilizes all available ESG ratings for overall portfolio risk management.</p>	

<b>FI 10.2</b>	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
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MSCI ESG Ratings identify 6 to 10 key ESG issues out of 37 key ESG issues for all rated entities that currently generate large environmental or social externalities; these are issues that may force some entities to absorb unanticipated costs associated with those externalities in the future. Corporate Governance is assessed for all entities. Key issues are identified for various industries and governments that are grouped by relevant exposure. Exposures are identified at an issuer level rather than at the security level, and issuers are benchmarked to their peers with similar exposure.

	Corporate (financial)
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MSCI ESG Ratings identify 6 to 10 key ESG issues out of 37 key ESG issues for all rated entities that currently generate large environmental or social externalities; these are issues that may force some entities to absorb unanticipated costs associated with those externalities in the future. Corporate Governance is assessed for all entities. Key issues are identified for various industries and governments that are grouped by relevant exposure. Exposures are identified at an issuer level rather than at the security level, and issuers are benchmarked to their peers with similar exposure.

Corporate (non-financial)

MSCI ESG Ratings identify 6 to 10 key ESG issues out of 37 key ESG issues for all rated entities that currently generate large environmental or social externalities; these are issues that may force some entities to absorb unanticipated costs associated with those externalities in the future. Corporate Governance is assessed for all entities. Key issues are identified for various industries and governments that are grouped by relevant exposure. Exposures are identified at an issuer level rather than at the security level, and issuers are benchmarked to their peers with similar exposure.

FI 10.3 Additional information [OPTIONAL]

MSCI ESG Ratings identify 6 to 10 key ESG issues out of 37 key ESG issues for all rated entities that currently generate large environmental or social externalities; these are issues that may force some entities to absorb unanticipated costs associated with those externalities in the future. Corporate Governance is assessed for all entities. Key issues are identified for various industries and governments that are grouped by relevant exposure. Exposures are identified at an issuer level rather than at the security level, and issuers are benchmarked to their peers with similar exposure.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**

MSCI ESG manager selects Key Issues for any given GICS Sub-Industry and sets the weights that determine each Key Issue's contribution to the overall rating. Each Key Issue typically comprises 5-30% of the total ESG Rating. The weightings reflect both the contribution of the industry relative to all other industries related to the negative or positive impact on the environment or society and the timeline within which MSCI expect that risk or opportunity for companies in the industry to materialize. See below for the MSCI ESG Key Issue Hierarchy which includes 3 Pillars, 10 Themes, and 37 ESG Key Issues.

**Pillar: Environment**

**Theme: Climate Change**

Key Issues: Carbon Emissions Product Carbon Footprint Financing Environmental Impact Climate Change Vulnerability

**Theme: Natural Resources**

Key Issues: Water Stress Biodiversity & Land Use Raw Material Sourcing

**Theme: Pollution & Waste**

Key Issues: Toxic Emissions & Waste Packaging Material & Waste Electronic Waste

**Theme: Environmental Opportunities**

Key Issues: Opportunities in Clean Tech Opportunities in Green Building Opp's in Renewable Energy

**Pillar: Social**

**Theme: Human Capital**

Key Issues: Labor Management Health & Safety Human Capital Development Supply Chain Labor Standards

**Theme: Product Liability**

Key Issues: Product Safety & Quality Chemical Safety Financial Product Safety Privacy & Data Security Responsible Investment Health & Demographic Risk

**Theme: Stakeholder Opposition**

Key Issue: Controversial Sourcing

**Theme: Social Opportunities**

Key Issues: Access to Communications Access to Finance Access to Health Care Opp's in Nutrition & Health

**Pillar: Governance**

**Theme: Corporate Governance\***

Key Issues: Board\* Pay\* Ownership\* Accounting\*

**Theme: Corporate Behavior**

Key Issues: Business Ethics Anti-Competitive Practices Tax Transparency Corruption & Instability Financial System Instability

## Corporate (financial)

MSCI ESG manager selects Key Issues for any given GICS Sub-Industry and sets the weights that determine each Key Issue's contribution to the overall rating. Each Key Issue typically comprises 5-30% of the total ESG Rating. The weightings reflect both the contribution of the industry relative to all other industries related to the negative or positive impact on the environment or society and the timeline within which MSCI expect that risk or opportunity for companies in the industry to materialize. See below for the MSCI ESG Key Issue Hierarchy which includes 3 Pillars, 10 Themes, and 37 ESG Key Issues.

Pillar: Environment

Theme: Climate Change

Key Issues: Carbon Emissions Product Carbon Footprint Financing Environmental Impact Climate Change Vulnerability

Theme: Natural Resources

Key Issues: Water Stress Biodiversity & Land Use Raw Material Sourcing

Theme: Pollution & Waste

Key Issues: Toxic Emissions & Waste Packaging Material & Waste Electronic Waste

Theme: Environmental Opportunities

Key Issues: Opportunities in Clean Tech Opportunities in Green Building Opp's in Renewable Energy

Pillar: Social

Theme: Human Capital

Key Issues: Labor Management Health & Safety Human Capital Development Supply Chain Labor Standards

Theme: Product Liability

Key Issues: Product Safety & Quality Chemical Safety Financial Product Safety Privacy & Data Security Responsible Investment Health & Demographic Risk

Theme: Stakeholder Opposition

Key Issue: Controversial Sourcing

Theme: Social Opportunities

Key Issues: Access to Communications Access to Finance Access to Health Care Opp's in Nutrition & Health

Pillar: Governance

Theme: Corporate Governance\*

Key Issues: Board\* Pay\* Ownership\* Accounting\*

Theme: Corporate Behavior

Key Issues: Business Ethics Anti-Competitive Practices Tax Transparency Corruption & Instability Financial System Instability

MSCI ESG manager selects Key Issues for any given GICS Sub-Industry and sets the weights that determine each Key Issue's contribution to the overall rating. Each Key Issue typically comprises 5-30% of the total ESG Rating. The weightings reflect both the contribution of the industry relative to all other industries related to the negative or positive impact on the environment or society and the timeline within which MSCI expect that risk or opportunity for companies in the industry to materialize. See below for the MSCI ESG Key Issue Hierarchy which includes 3 Pillars, 10 Themes, and 37 ESG Key Issues.

Pillar: Environment

Theme: Climate Change

Key Issues: Carbon Emissions Product Carbon Footprint Financing Environmental Impact Climate Change Vulnerability

Theme: Natural Resources

Key Issues: Water Stress Biodiversity & Land Use Raw Material Sourcing

Theme: Pollution & Waste

Key Issues: Toxic Emissions & Waste Packaging Material & Waste Electronic Waste

Theme: Environmental Opportunities

Key Issues: Opportunities in Clean Tech Opportunities in Green Building Opp's in Renewable Energy

Pillar: Social

Theme: Human Capital

Key Issues: Labor Management Health & Safety Human Capital Development Supply Chain Labor Standards

Theme: Product Liability

Key Issues: Product Safety & Quality Chemical Safety Financial Product Safety Privacy & Data Security Responsible Investment Health & Demographic Risk

Theme: Stakeholder Opposition

Key Issue: Controversial Sourcing

Theme: Social Opportunities

Key Issues: Access to Communications Access to Finance Access to Health Care Opp's in Nutrition & Health

Pillar: Governance

Theme: Corporate Governance\*

Key Issues: Board\* Pay\* Ownership\* Accounting\*

Theme: Corporate Behavior

Key Issues: Business Ethics Anti-Competitive Practices Tax Transparency Corruption & Instability Financial System Instability



# City of Chicago (City Treasurer's Office)

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

**CM1 02.3** Additional information [OPTIONAL]

It is not within the Office of the City Treasurer's authority to conduct third party assurance.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 04.3** Additional information [OPTIONAL]

It is not within the Office of the City Treasurer's authority to conduct third party assurance.

CM1 07	Mandatory	Public	Descriptive	General
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**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

**Sign-off or review of responses**

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)