

ASSESSMENT

1 April 2026



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City of Toronto

Second Party Opinion – Sustainable Debenture Framework Assigned SQS1 Sustainability Quality Score

Summary

We have assigned an SQS1 sustainability quality score (excellent) to the City of Toronto's sustainable debenture framework dated February 2026. The city has established a use-of-proceeds framework with the aim of financing projects across seven eligible green categories and four eligible social categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025 and Sustainability Bond Guidelines (SBG) 2021, and the city has also incorporated Moody's-identified best practices for all four components. The framework demonstrates a high contribution to sustainability.

Sustainability quality score

SQS5
Weak

SQS4
Intermediate

SQS3
Good

SQS2
Very good

SQS1
Excellent

SQS1

Alignment with principles USE OF PROCEEDS

Overall alignment

Not aligned

Partially aligned

Aligned

Best practices

FACTORS	ALIGNMENT
Use of proceeds	██████████ ▾
Evaluation and selection	██████████ ▾
Management of proceeds	██████████ ▾
Reporting	██████████ ▾

Contribution to sustainability

Final contribution to sustainability

Poor

Limited

Moderate

Significant

High

Preliminary contribution to sustainability
Relevance and magnitude ██████████ ▾

Additional considerations No adjustment

POINT-IN-TIME ASSESSMENT

Scope

We have provided a second party opinion (SPO) on the sustainability credentials of the City of Toronto's sustainable debenture framework, dated February 2026, including the framework's alignment with the four core components of the ICMA's GBP 2025, SBP 2025 and SBG 2021. Proceeds from future bonds issued under the framework will finance projects across seven green categories and four social categories, as outlined in appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 1 April 2026, and our opinion reflects our point-in-time assessment¹ of the details contained in this version of the framework, as well as other public and non-public information provided by the city.

We produced this SPO based on our [Assessment Framework: Second Party Opinions on Sustainable Debt](#), published in October 2025.

Issuer profile

The City of Toronto, located in the Province of Ontario, is Canada's largest city with a population of approximately 3.3 million within the Greater Toronto Area including surrounding municipalities. The city is Canada's most important financial and economic hub, and its domestic and global attractiveness is supported by a diverse economy, a favorable business climate and strong immigration trends. The city benefits from a broad tax base and robust service sectors, including finance, insurance, technology and manufacturing.

In 2025, the city released its TransformTO Net Zero Strategy: Action Plan (2026–2030),² which advances on the critical steps through the end of the decade toward decarbonizing community-wide economic sectors by 2040. As the nation's largest metro area, social risks include pressure for the city to address housing affordability, homelessness and healthcare.

Strengths

- » Eligible projects to be funded are clearly defined through a combination of disclosure in the framework, and through the city's applicable debenture by-laws which enhance the transparency and clarity of funded projects
- » Eligible funded projects address a wide range of environmental and social issues that are pertinent to the issuer as a municipality and address relevant environmental and social needs at the community level
- » Clear disclosure, allocation and tracking of proceeds that are in line with market best practices
- » Experienced labeled bond issuer with a history of providing transparent disclosure on the allocation and impact of funded projects

Challenges

- » Some eligible green building projects may not consistently achieve best in class building energy performance or emissions reductions because of the lack of additional thresholds at the category level

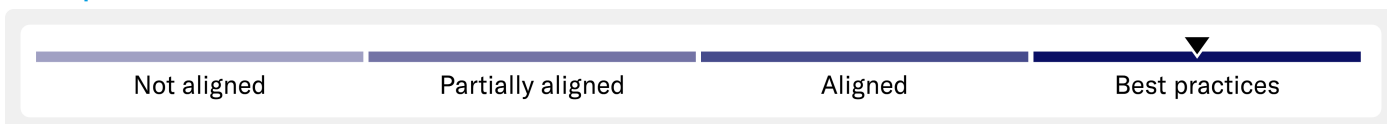
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Alignment with principles

The City of Toronto's sustainable debenture framework is aligned with the four core components of the ICMA's GBP 2025, SBP 2025 and SBG 2021, and the city has also incorporated Moody's-identified best practices for all four components. For a summary alignment with principles scorecard, please see Appendix 1.

<input checked="" type="checkbox"/> Green Bond Principles (GBP)	<input type="checkbox"/> Green Loan Principles (GLP)
<input checked="" type="checkbox"/> Social Bond Principles (SBP)	<input type="checkbox"/> Social Loan Principles (SLP)
<input type="checkbox"/> Sustainability-Linked Bond Principles (SLBP)	<input type="checkbox"/> Sustainability Linked Loan Principles (SLLP)

Use of proceeds



Clarity of the eligible categories – BEST PRACTICES

The city has clearly communicated the nature of expenditures, the eligibility criteria for the seven green and four social eligible categories, as well as the target populations for the social categories. The net proceeds from sustainable bonds will be allocated to finance in whole or in part, new or existing eligible green and/or social capital projects that meet the eligibility criteria under the framework. The city has articulated the eligibility criteria for all projects which include general project descriptions and technical thresholds. Although the criteria for some project categories are broadly defined at the framework level, the city's previously funded green and social programs, clear disclosure of projects to be funded in the applicable debenture by-law pre-issuance, and the city's various high-level sustainability strategies collectively provide additional visibility on the likely projects to be funded. Eligible projects will be located within city limits.

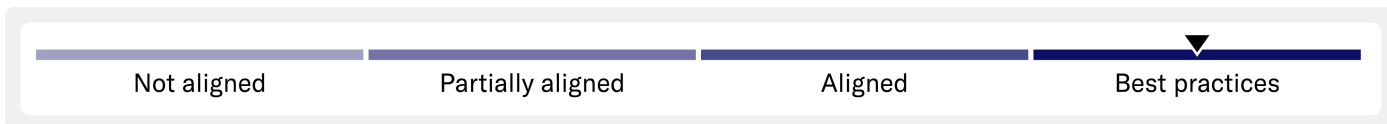
Clarity of the environmental or social objectives – BEST PRACTICES

The city has clearly outlined the environmental and social objectives associated with all eligible categories. All eligible categories are relevant to the respective objectives to which they aim to contribute. The objectives are coherent with recognized international standards, including the United Nations' (UN) Sustainable Development Goals (SDGs). See Appendix 2 for more details.

Clarity of expected benefits – BEST PRACTICES

The city has identified clear expected benefits for all eligible categories, and these are relevant based on the projects likely to be financed under each category. The benefits are measurable for all project categories, and the city will quantify them in its annual post-issuance reporting. The lookback period to allocate debenture proceeds to eligible projects previously funded by working capital is three years from the time of project completion. Disclosure will be provided through the applicable debenture by-law and in the annual sustainable bond newsletter.

Process for project evaluation and selection

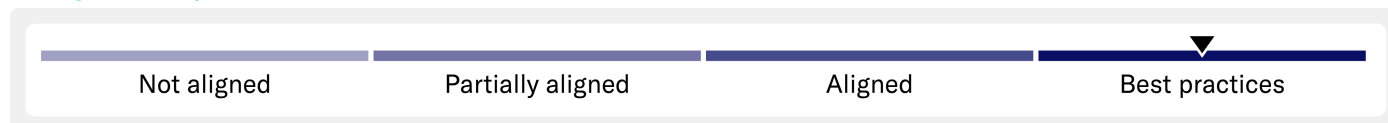


Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

The city's decision-making process for the evaluation and selection of projects is clear and structured, and outlined in its framework. The city's capital markets division (CMD), in consultation with internal and external stakeholders, is responsible for implementing the framework, selecting eligible sustainable capital projects, and verifying project eligibility in collaboration with respective division heads. Project monitoring for compliance will be performed until maturity of debentures, a market best practice. In case an eligible asset becomes ineligible, the city will allocate to other eligible projects that are compliant with the framework.

The city has a comprehensive environmental and social (E&S) risk mitigation process for the monitoring, identification and management of project-level E&S risks. All eligible projects are subject to the city's applicable laws, regulations and policies. The process is articulated both in the framework and in public documentation.

Management of proceeds

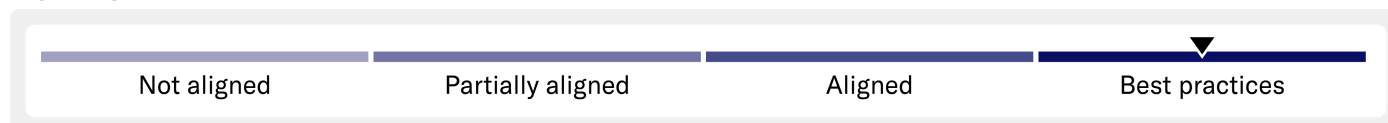


Allocation and tracking of proceeds – BEST PRACTICES

The city has defined a clear process for the management and allocation of proceeds for eligible assets in its framework. Upon issuance, net proceeds are deposited into the city's primary working capital account and are formally identified and managed through internal project-level financial tracking systems and the applicable debenture by-law. The debenture by-law formally designates the debentures as green, social or sustainability, as applicable, and includes a detailed schedule of eligible capital projects financed by the issuance. In accordance with the City of Toronto Act, debenture proceeds must be fully allocated to specific capital projects at the time of issuance and included in the certified debenture by-law.

The city commits to make periodic adjustments of proceeds to projects until all proceeds are allocated. Temporarily unallocated proceeds will be held in line with the city's liquidity management practices, with explicit exclusion of carbon-intensive assets.

Reporting



Reporting transparency – BEST PRACTICES

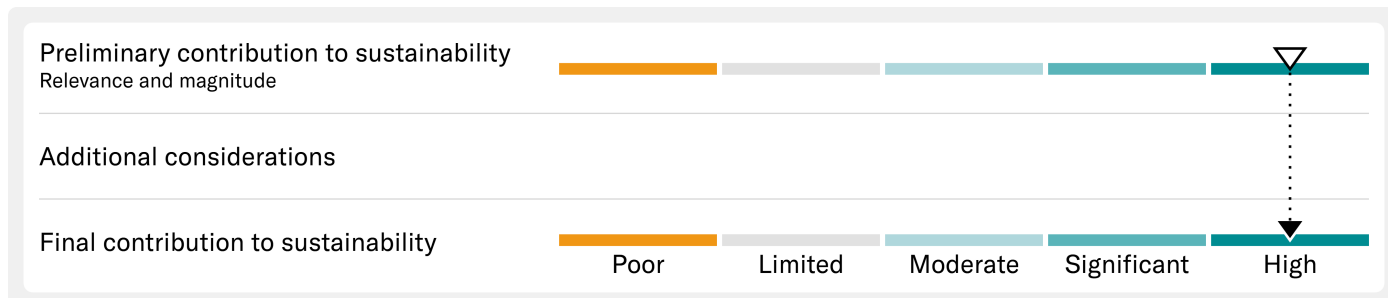
The city will publish annual sustainable bond newsletters, which will include allocation and impact reporting. This reporting will be made publicly available on the city's website. Allocation reporting will occur until full allocation and on a timely basis in case of material developments, while impact reporting will occur in alignment with the duration of the project lifecycle and materiality of realized outcomes. Furthermore, the city's annual environmental, social, and governance report – which incorporates the city's broader climate related disclosures, as well as select program dashboards – provides additional disclosure, transparency and traceability of the impacts generated by funded projects. The city's annual green and social bond reporting is exhaustive and includes details on net proceeds raised from each sustainable bond, overview of allocated proceeds to each eligible project category, information on unallocated proceeds, summary of developments for existing and future projects, project updates and status reports for eligible projects, and relevant environmental and social impact metrics, where feasible.

The city's robust governance and control framework – which includes city council's review and approval of eligible capital expenditures, the statutory authorization for the applicable debenture by-law as well as legal oversight prior to the enactment of the by-law – ensures full traceability of net proceeds to the identified capital projects. Additional assurance through the city's independent audit review ensures that proceeds are properly recorded and allocated in accordance with council authority and the approved debenture by-law. The reported green impact metrics are reviewed and provided by the city's environmental, climate and forestry division, while social indicators are provided by the relevant city division responsible for the execution of the relevant programs and projects. The calculation methodologies and assumptions of impact metrics will be disclosed to investors upon request. Prior to the anniversary of the labeled debenture issuance, the city's CMD will perform an internal verification to assess the proceeds' compliance with the stated framework criteria. A compliance letter will be provided and the letter will be made publicly available on the city's website.

The city is an experienced sustainable bond issuer. The city has issued eight green bonds and five social bonds since 2018 totaling C \$1.58 billion and C\$800 million, respectively, with its most recent issuance of a green bond in September 2025 sized at C\$200 million. The city's annual post-issuance reporting on its labeled issuances has historically followed the commitments in its prior green and social debenture programs, and the city continues to provide disclosure of previously allocated labeled bonds ensuring continued traceability. The city's robust reporting suggests a high likelihood of continued timely and consistent disclosure for future issuances.

Contribution to sustainability

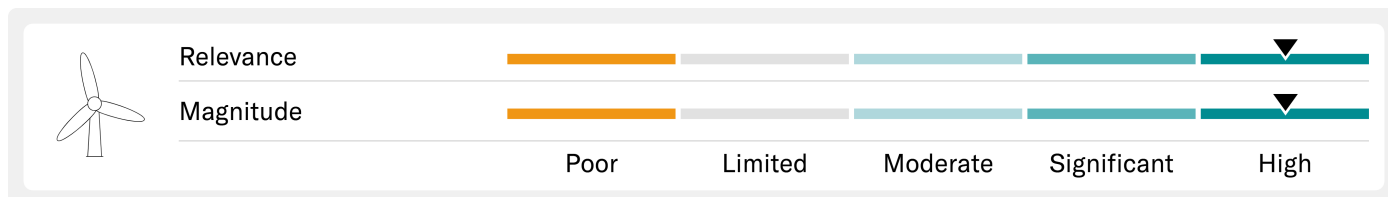
The framework demonstrates a high overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of high, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is high, based on the relevance and magnitude of the eligible project categories. Based on historical allocation of the city's labeled bonds and the details of the city's public capital and strategic plans, we expect proceeds from forthcoming issuances to represent a higher proportion for the clean transportation, socioeconomic advancement and empowerment and climate change adaptation project categories. We have therefore assigned higher weights to those categories in our assessment of the overall framework's contribution to sustainability. A detailed assessment by eligible category has been provided below.

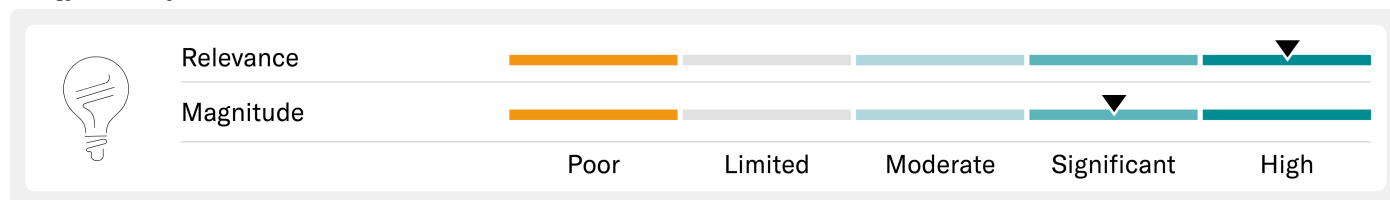
Renewable energy



Investments in low-carbon and renewable energy are highly relevant to Toronto's community-wide decarbonization, reflecting the material role of local action in addressing emissions from energy use. While 83%³ of Ontario's grid mix is based on low carbon sources, the city's primary energy challenge lies in thermal energy, as natural gas remains the dominant source for space and water heating in buildings. The city can materially influence emissions reductions through local renewable energy deployment, as outlined in its TransformTO Net Zero Strategy Action Plan (2026–2030), which targets 50% of community-wide energy consumption coming from renewable or low-carbon sources by 2030.

The magnitude is high because the city anticipates allocating most of the proceeds to solar technologies such as solar photovoltaic and rooftop solar which are best in class solutions for decarbonizing energy sources. The category also includes bioenergy from waste biomass including organic municipal waste as feedstock with excluded feedstocks clearly defined in the framework. Eligible biofuels would meet the 100 gCO₂e/kWh threshold, which is aligned with market standards, and are likely to be used as fuel in municipal fleets, provide heat in city-owned facilities, or be injected into the grid to displace natural gas. Other eligible renewable projects under the category reference market recognized thresholds and standards and are likely to have minimal externalities.

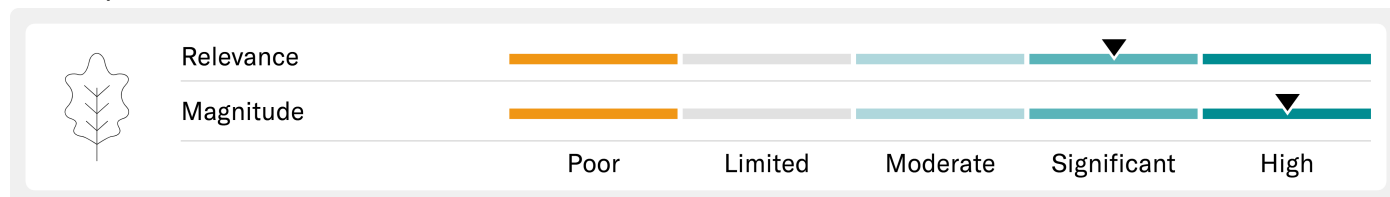
Energy efficiency



Eligible energy efficiency investments are highly relevant to support the decarbonization of the broader economy, including the building and energy sectors. Residential natural gas heating represents the largest subsector source of community-wide greenhouse gas (GHG) emissions in 2023 accounting for 26%,⁴ underscoring the importance of projects to optimize building energy use. The TransformTO Net Zero Strategy Action Plan (2026–2030) prioritizes energy efficiency and the transition to low carbon measures, with a target to achieve 25% of commercial and industrial floor area to be connected to low-carbon thermal energy sources by 2030. The projects are aligned with global climate mitigation pathways, as energy efficiency is identified by the International Energy Agency as the single largest measure for reducing future energy demand, reinforcing its importance for climate mitigation.⁵

The magnitude of the category is significant. Eligible projects include individual building energy efficiency measures that would result in at least a 30% improvement in energy or GHG emissions reduction in buildings over initial performance for city-owned, commercial and residential buildings. The 30% improvement threshold is also aligned with internationally recognized market standards for substantial contribution. Eligible projects such as efficient heating and cooling systems and ground-source heat pumps are covered under Toronto's Home Renovation Savings program which would likely enhance building efficiency across the residential stock, while qualifying energy retrofit projects are likely to deliver optimized building energy performance. Other eligible assets such as smart grids and energy management systems can help to reduce energy losses and support grid stability. While the category is likely to generate long-term benefits, there is limited visibility into the final energy savings that several projects to be financed under this category will achieve.

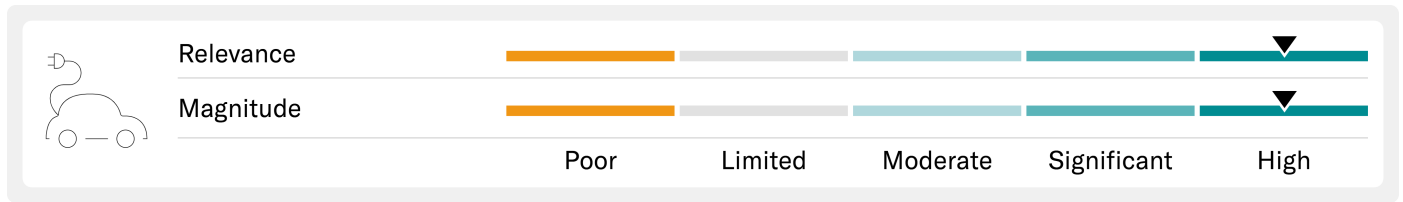
Pollution prevention and control



Waste management represents a material sustainability challenge for Toronto, with heightened local relevance given medium-term constraints on landfill capacity amid rising waste volumes from population growth and economic expansion. The city's primary landfill, Green Lane, is projected to reach full capacity by 2034-2035, elevating the urgency for long-term waste management solutions. The category directly supports the city's Long Term Waste Management Strategy,⁶ a 30 to 50 year roadmap prioritizing waste reduction, reuse, recycling and circular economy measures. Waste sector emissions, primarily from landfills, represent the city's third largest source of community-wide GHG emissions, accounting for roughly 10% in 2023.⁷ The city has set a target to achieve a 70% residential waste diversion rate by 2026, compared with an achieved diversion rate of 53.6% in 2023. While the projects in the category will address a material challenge for the city, the significant relevance score reflects our view that other categories in the framework address more substantial environmental challenges for the city.

The magnitude of the category is high, reflecting the city's waste management program and strategy that comprehensively prioritizes waste reduction, reuse, recycling and circular economy initiatives, with minimal externalities. The city has various community reduce and reuse programs in place to support waste management efforts, that collectively would reduce landfill dependency and related emissions. These activities are also broadly in line with the city's 2026–2035 Circular Economy Roadmap,⁸ which aims to develop a circular ecosystem of recovery, reuse and repair of materials.

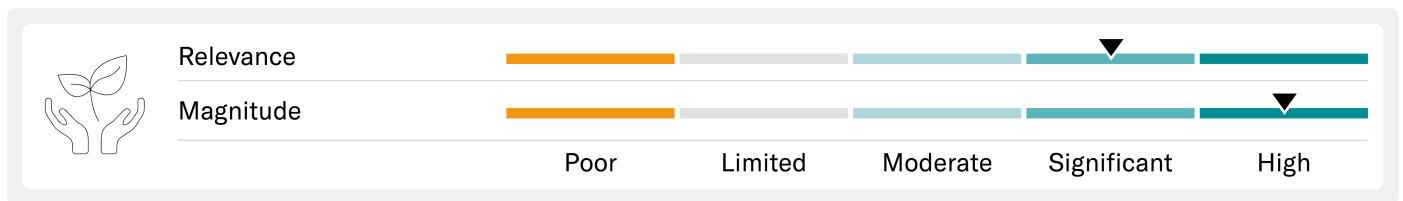
Clean transportation



Clean transportation is highly relevant for Toronto because the transportation sector is the city's second largest source of community-wide GHG emissions, accounting for 36% of community-wide emissions in 2023,⁹ driven largely in part by passenger vehicles. While the city has limited authority over direct decarbonization of passenger vehicles, it can directly influence local electric vehicle (EV) uptake through installation of public EV chargers throughout the city, which is highlighted in its TransformTO Net Zero Strategy Action Plan (2026–2030). The strategy also highlights action plans to transition municipal fleets and public transit toward zero emissions and low carbon transport options, underscoring the critical role of the category to decarbonize the sector.

The magnitude of category is high reflecting the financing of best available technologies such as zero direct emissions transportation technologies, including electric, hydrogen and other zero direct emissions transport for municipal fleet and public transit, with the latter operated by Toronto Transit Commission (TTC), in line with the city's net zero action plan. Additionally, the city has historically allocated net proceeds to electrified rail, cycling and pedestrian infrastructure to support mode shifting, further supporting the long-term benefits of the projects under this category. Although hybrids are included as eligible expenditures, the city has not historically used green bond proceeds to fund hybrid solutions, and we expect that potential funding would reflect the strategies highlighted in net zero action plan, which prioritizes the transition to electrified and low carbon transport modal options.

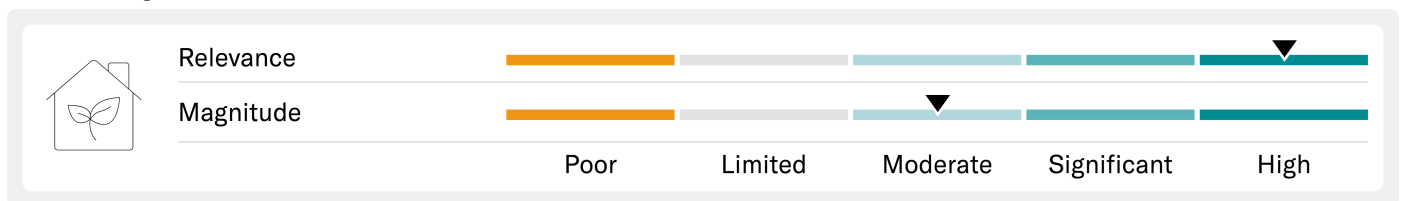
Climate change adaptation



Projects aimed at enhancing climate resilience and adaptation address a significantly relevant priority to reduce the negative impacts from rising climate hazards from extreme heat stress and flooding. Although Toronto is generally not as vulnerable to the effects of climate change as other regional and local governments globally, the projects remain relevant to adapt and strengthen the city's facilities and infrastructure to physical climate risks.

The eligible projects are expected to deliver long-term high impact to enhance Toronto's climate resilience, utilizing best available adaptation measures with limited externalities, and are broadly in line with the city's Resilience Strategy.¹⁰ The city's flagship adaptation projects include the Port Lands Flood Protection Project, which leverages a naturalized river valley, a nature-based solution, to manage excess water during high precipitation levels while enhancing riverine biodiversity. Other eligible initiatives include climate observation and early warning systems, which can improve the city's disaster response and preparedness capabilities. In 2025, the city performed a climate vulnerability assessment¹¹ to identify and stress test its exposure to climate change risks under internationally recognized medium and high emissions climate scenarios such as the Shared Socioeconomic Pathways, a best in class adaptation practice. The report also identifies and prioritizes potential actions to fortify against climate hazards and outlines the critical role of green infrastructure in the resiliency strategy.

Green buildings

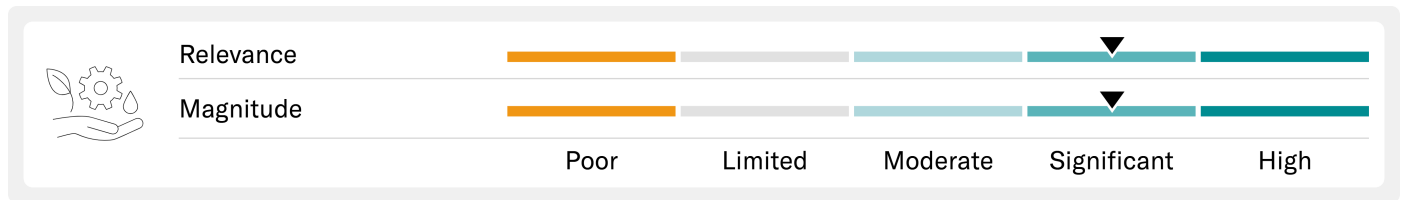


Green buildings are highly relevant for Toronto, because buildings account for the largest share of community-wide emissions at 55% in 2023,¹² driven largely by natural gas use for space heating and hot water. Eligible projects align with the city's TransformTO Net Zero Strategy Action Plan (2026–2030), which targets near zero emissions for all new buildings by 2030 and a 50% reduction in emissions from existing buildings relative to 2008 levels, reinforcing the high relevance of green building investments in the local and sectoral context.

The projects in this category are likely to moderately contribute to the reduction of energy consumption and GHG emissions from the building sector. The city has shared that all types of buildings and activities are eligible, with asset eligibility determined by obtaining market recognized green building certifications such as LEED and BOMA BEST, per the framework. However, the use of certifications alone, coupled with the varied sustainability quality implied under each unique system, does not necessarily provide the highest assurance of consistent energy performance across all funded assets, thereby limiting the overall impact of potential energy or emissions reduction.

While some of the eligible certifications do not exclusively reference the most stringent rating within the certification system (e.g., LEED Gold or above), other eligible certification standards, such as the Toronto Green Standard (TGS) v4, which was developed by the city, would ensure that some of the financed buildings follow best in class sustainable building standards with clear energy and emissions intensity thresholds with considerations for minimizing embodied emissions. For example, effective 1 May 2022, all city-owned buildings are required to be designed to net-zero standards. Although these assets alone are highly impactful on a standalone basis, city-owned buildings represent a minor share of Toronto's total building stock which limits the long-term impact to building decarbonization. Favorably, the city expects most qualifying buildings to meet the TGS standard. The city does not anticipate near term allocations and has not previously funded the category with green net proceeds.

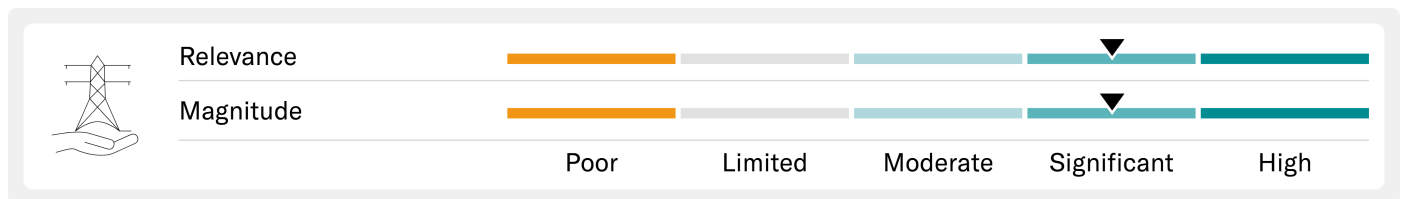
Environmentally sustainable management of living natural resources and land use



Measures and initiatives under this category are significantly relevant to conserve and protect natural resources and enhance biodiversity within the city. Investments in urban forestry and green spaces support climate resilience by mitigating heat exposure and reducing the urban heat island effect, while also improving air quality and reducing energy demand. Roughly 13.5% of terrestrial natural habitats¹³ are already protected by the city's Natural Heritage System, including the world's largest urban ravine network. That said, the city's on-going conservation programs through its ravine and biodiversity strategies and its strategic forest management plan continue to remain materially relevant to maintain and enhance ecosystem functions.

The magnitude is significant. Eligible projects in this category are targeted to support conservation, restoration and enhancement of urban forests, wetlands and biodiversity, including initiatives such as green roofs that are delivered in part by the Toronto and Region Conservation Authority. While these efforts advance ecological resilience, the broad scope of eligible activities limits visibility into the consistent application of best in class practices across the various eligible forest or biodiversity related interventions.

Affordable basic infrastructure

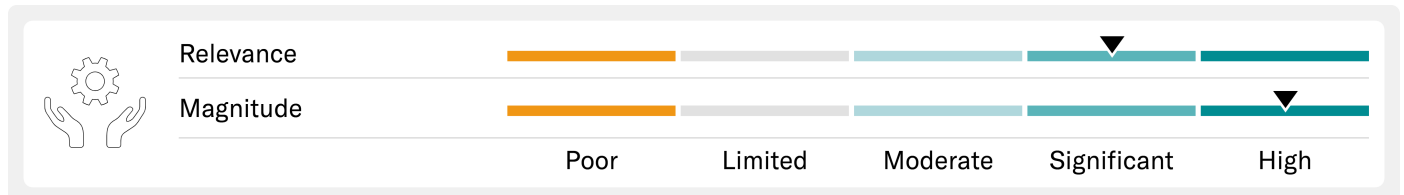


The maintenance of accessible and reliable municipal services such as transport, energy and water, is a core responsibility for the city. While Toronto already benefits from strong institutions typical of advanced economies, continued investments are necessary to preserve the quality and access to services and infrastructure over time. Eligible initiatives also align with the city's Vision Zero

Road Safety Plan,¹⁴ which aims to reduce traffic accidents while improving transportation accessibility, including compliance with the Accessibility for Ontarians with Disabilities Act (AODA).

The magnitude is significant because eligible programs, such as the city's fare discount programs and emergency energy funds, to name a few, are likely to benefit a vulnerable population over the long term. Other eligible infrastructure that aims to enhance accessibility to public transportation, such as crosswalk signals and sidewalks, are targeted not just for the vulnerable, but for the benefit of the general population, to improve overall road safety.

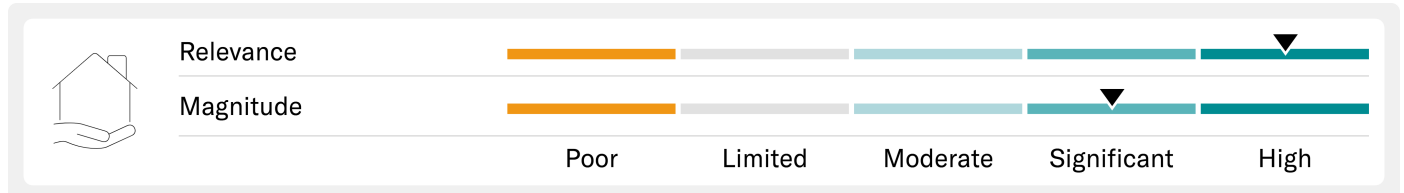
Access to essential services



The project category has significant relevance. The provision of essential services is not a major social challenge for the city and for the Province of Ontario given the resources and programs in place that are already providing quality education and healthcare services when compared on a global basis. Still, maintaining the accessibility and quality of these services for residents remains important to address the needs of a growing and aging population.

The magnitude of projects is high because the funded programs and services are likely to benefit the most vulnerable populations, as defined in the framework. Eligible projects include funding of publicly available not-for-profit, free or subsidized, education, healthcare, care centers, community centers and residential care services and facilities, that directly enhance the accessibility of services for the most vulnerable groups. The funded facilities and services are likely to drive long-term impact and enhance the target populations' social inclusion and community well-being.

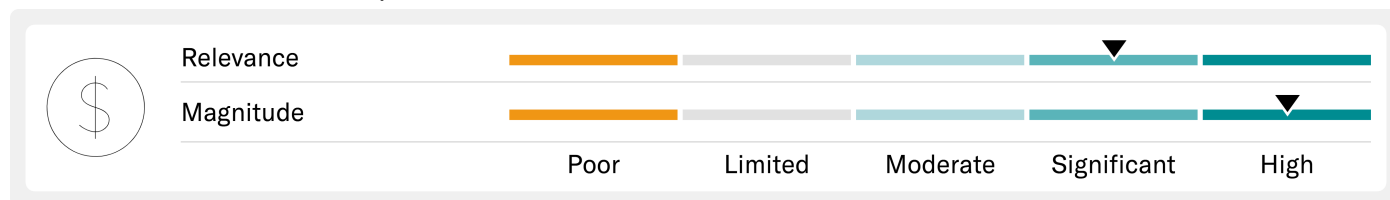
Affordable housing



Affordable housing is a highly relevant social issue in Toronto because of high housing costs and a persistent housing supply deficit. Rapid population growth has outpaced housing development, contributing to elevated housing costs, placing the city among the least affordable housing markets in the nation. Nearly one-third of all households in Toronto spend more than 30% of income on housing,¹⁵ with affordability challenges particularly acute for renters. Moreover, one in every five households is identified as having a core housing need, underscored by the city's growing social housing waiting list.¹⁶ These challenges align with the city's strategic commitments under the HousingTO 2020–2030 Action Plan¹⁷ and its Poverty Reduction Strategy,¹⁸ making programs under this category highly relevant to address housing affordability.

The magnitude is significant because the city's eligible affordable housing programs – such as its Rent Geared-to-Income program, the Toronto Rent Bank and the Housing Stabilization Fund – directly support housing for low income households and the homeless. The category also includes funding to support federal and provincial programs, such as the Home Ownership Assistance Program and Housing First, which expand pathways to build home equity. The category defines eligibility for the various affordable housing programs as households or individuals earning up to 120% of area median income and where rent burden is capped at 30% of median income, with the latter consistent with affordable housing definitions provided by the Canada Mortgage and Housing Corporation. Other eligible expenditures include preservation and state-of-good-repair investments, such as the George Street Revitalization project, as an example of a previously funded social housing project. Although the projects are likely to provide housing solutions to a vulnerable population, not all programs exclusively target the housing needs of the most vulnerable communities or those at the lowest income band.

Socioeconomic advancement and empowerment



Program, facilities and services under this category address an important, albeit not most material, social issue for Toronto. The city's aging population and growing immigrant community highlights the need to continue providing inclusive services that support the socioeconomic advancement and economic participation of the underserved population. Ensuring continued investments into employment services, care services and shelter for disadvantaged groups remain important in sustaining equitable access and positive social outcomes.

The magnitude is high as the eligible expenditures expand access to free or subsidized city services that directly benefit the most vulnerable populations, as defined in the framework. These include employment services and social support for the youth and new immigrants, accessibility improvements in public transit for the disabled, support services in long-term care homes for the elderly, public library access, and shelter homes and counseling services for the most at risk populations. The programs and services contribute meaningfully to long-term socioeconomic advancement and empowerment by enhancing the target populations' social inclusion and integration with the local communities, while addressing potential affordability challenges for the target populations.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

The city demonstrates robust management of environmental and social risks. It is subject to the Province of Ontario's environmental regulations and adheres to all relevant policies and guidelines to mitigate environmental and social risks associated with eligible projects. Through municipal by-laws, the city has established policies and procedures for managing waste, protecting biodiversity and overseeing water resources. In addition, the city maintains a comprehensive enterprise risk management (ERM) framework, supported by a formal ERM policy, governance structure and risk management processes. The ERM framework identifies and monitors a range of environmental, social and governance risks, supporting informed decision making and risk mitigation across city operations.

The framework aligns with the city's broader sustainability strategy. The TransformTO Net Zero Strategy serves as the city's climate action plan and targets a 65% reduction in community-wide GHG emissions by 2030, with a net-zero emissions target by 2040, relative to 1990 levels. The strategy identifies several priority areas to achieve these targets, including strengthening carbon accountability, reducing natural gas use in existing buildings, expanding access to low-carbon transportation, and increasing local renewable energy to support a resilient, carbon-free energy system. In parallel, the city's social priorities emphasize community safety, affordability and the advancement of inclusive social and economic well-being.

Appendix 1 - Alignment with principles scorecard for the City of Toronto's sustainable debenture framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score	
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	Best practices	
		Definition of content, eligibility and exclusion criteria for nearly all categories	A			
		Location	A			
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes			
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices		
		Coherence of project category objectives with standards for nearly all categories	A			
		BP: Objectives are defined, relevant and coherent for all categories	Yes			
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices		
		Measurability of expected benefits for nearly all categories	A			
		BP: Relevant benefits are identified for all categories	Yes			
		BP: Benefits are measurable for all categories	Yes			
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes			
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes			
	Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A		Best practices
			Disclosure of the process	A		
Transparency of the environmental and social risk mitigation process			A			
BP: Monitoring of continued project compliance			Yes			
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices		
		Periodic adjustment of proceeds to match allocations	A			
		Disclosure of the intended types of temporary placements of unallocated proceeds	A			
		BP: Disclosure of the proceeds management process	Yes			
		BP: Allocation period is 24 months or less	Yes			
Reporting	Reporting transparency	Reporting frequency	A	Best practices		
		Reporting duration	A			
		Report disclosure	A			
		Reporting exhaustivity	A			
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes			
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes			
		BP: Disclosure of reporting methodology and calculation assumptions	Yes			
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes			
		BP: Independent impact assessment on environmental and social benefits	Yes			
Overall alignment with principles score:					Best practices	

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The 11 eligible categories included in City of Toronto's framework are likely to contribute to nine of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals		SDG Targets
GOAL 1: No Poverty	<i>Socioeconomic advancement and empowerment</i>	1.3: Implement social protection systems and measures for all, and achieve substantial coverage of the poor and the vulnerable
	<i>Affordable basic infrastructure, Affordable housing, Socioeconomic advancement and empowerment</i>	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 7: Affordable and Clean Energy	<i>Access to essential services</i>	7.1: Ensure universal access to affordable, reliable and modern energy services
	<i>Renewable energy</i>	7.2: Increase substantially the share of renewable energy in the global energy mix
	<i>Energy efficiency, Green buildings</i>	7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth	<i>Socioeconomic advancement and empowerment</i>	8.5: Achieve full, productive employment and decent work for all women and men, and equal pay for work of equal value
		8.6: Substantially reduce the proportion of youth not in employment, education or training
GOAL 10: Reduced Inequality	<i>Socioeconomic advancement and empowerment</i>	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	<i>Affordable housing</i>	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	<i>Affordable basic infrastructure, Clean transportation</i>	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	<i>Clean transportation, Renewable energy, Pollution prevention and control</i>	11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management
	<i>Environmentally sustainable management of living natural resources and land use</i>	11.7: Provide universal access to safe and inclusive green and public spaces for all
	<i>Climate change adaptation</i>	11.B: Increase number of cities with plans towards inclusion, resource efficiency, and climate change and disaster resiliency
GOAL 12: Responsible Consumption and Production	<i>Pollution prevention and control</i>	12.2: Achieve the sustainable management and efficient use of natural resources
		12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
		12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse

UN SDG 17 Goals		SDG Targets
GOAL 13: Climate Action	<i>Climate change adaptation</i>	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3: Improve awareness and human and institutional capacity on climate change mitigation, adaptation and impact reduction
GOAL 14: Life Below Water	<i>Environmentally sustainable management of living natural resources and land use</i>	14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts
GOAL 15: Life on Land	<i>Environmentally sustainable management of living natural resources and land use</i>	15.1: Ensure the conservation and sustainable use of terrestrial and inland freshwater ecosystems and their services 15.2: Promote the implementation of sustainable management of all types of forests

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the city's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in the City of Toronto's sustainable debenture framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy	<p>Construction, development, acquisition, maintenance, connection, transmission and distribution of renewable energy generation sources such as:</p> <p>a) Wind b) Solar c) Geothermal with direct emissions less than 100gCO₂e/kWh d) Wastewater energy transfer e) Waste biomass or biofuel with direct emissions less than 100g of CO₂e/kWh</p>	Climate change mitigation	<ul style="list-style-type: none"> • Installed renewable energy generation and added capacity (MW) • GHG emissions that were avoided/reduced (tonnes of CO₂ equivalent)
Energy efficiency	<p>Construction, development, acquisition and maintenance of products and systems that increase energy efficiency and/or reduce energy consumption or mitigate greenhouse gas (GHG) emissions intensity by 30% or more over the initial performance, including any of:</p> <p>a) Energy efficient heating and cooling systems, lighting, technologies and equipment including ground source heat pumps under Toronto's Home Renovation Savings program b) Energy management and reduction systems such as smart grids, demand response units and associated infrastructure that enables more efficient monitoring transmission and distribution of energy, facilitation of adding renewable electricity to the grid c) Building energy retrofit projects and building control optimization projects that reduce energy consumption or increase energy efficiency. This may include residential, commercial or City-owned buildings, including private sector</p>	Climate change mitigation	<ul style="list-style-type: none"> • Energy savings (MWh/GWh) • GHG emissions reduced/avoided (tonnes of CO₂ equivalent)
Pollution prevention and control	<p>Construction, development, acquisition and maintenance of land, facilities, systems or equipment used for activities such as:</p> <p>a) Development of and enhancement of waste management activities and infrastructure such as waste prevention, diversion, reduction, recycling and recovery b) Collection, treatment/remediation, recycling or reuse of waste, hazardous waste, or contaminated soil c) Collecting, transporting, and processing of recyclables, composting, and household hazardous waste for the public</p>	Pollution prevention and control	<ul style="list-style-type: none"> • Total GHG emissions (megatonnes CO₂ equivalent) • Corporate GHG emissions (tonnes CO₂)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Clean transportation	<p>Construction, development, acquisition and maintenance of low carbon transportation assets, including:</p> <p>a) Fully electric, hydrogen, or other zero-direct emissions transport including private vehicles, public transit such as public bus fleet, ferry boats and the light metro transit system, and their directly supporting infrastructure</p> <p>b) Hybrid land vehicles (with CO2 emission threshold of <50 grams of CO2/p-km)</p> <p>c) Cycling and walking infrastructure</p> <p>d) Electric charging and hydrogen fueling infrastructure</p>	Climate change mitigation, Pollution prevention and control	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided by public transit vehicle type (tonnes of CO2 equivalent) • Total in km of new and renewed bikeways • City fleet transitioned to zero-emissions vehicles (%) • Annual GHG emissions reduced (tonnes of CO2 equivalent) • Annual public EV charging implementation
Climate change adaptation	<p>Construction, development, acquisition and maintenance of infrastructure for:</p> <p>a) Designing, retrofitting, installation and/or upgrading of buildings, berms, pumping stations, transit, transportation and other infrastructure to mitigate physical impacts of climate change and build resilience to extreme weather events such as high wind, flooding, extreme temperatures, ice storms or extended power outages</p> <p>b) Climate risk information and communication systems (e.g., climate observation, early warning systems) and related projects, including risk and preparedness assessment and monitoring; heat/air quality mapping; integrated water drainage modelling; Climate Lens approach development.</p> <p>c) Community outreach and capacity building to support climate risk mitigation and preparedness</p>	Climate change adaptation	<ul style="list-style-type: none"> • Count of completed projects by type • Number of residents who receive early warnings through municipal systems • Number of assets assessed using a climate risk tool or climate lens tool • Number of local projects supported • Number and diversity of participants engaged (e.g., age, income, neighborhood) • Number of community organizations trained or partnered with
Green buildings	<p>Construction, development, operation, acquisition and maintenance of buildings that have received, or expect to receive based on their design, construction and operation plans, certification according to the following third party verified building standards:</p> <ul style="list-style-type: none"> • LEED Gold or Platinum • BOMA BEST Gold or Platinum • ENERGY STAR (score >85) • BuiltGreen High Density Gold or Platinum • NovoClimat Big-Multiple Unit Building • Passive House Classic, Plus or Premium • CaGBC Zero Carbon Building Standard (Flexible, Passive or Renewable) • Buildings that align with Toronto Green Standard (Tier 2, 3 or 4) 	Climate change mitigation, Natural resource conservation	<ul style="list-style-type: none"> • Number of green building certifications

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Environmentally sustainable management of living natural resources and land use	<p>Construction, development, acquisition and maintenance of infrastructure for:</p> <p>a) Conservation, restoration and enhancement for the management of the urban forest, wetlands, watercourses (stream bank stabilization or naturalization) and other natural habitats and landscapes, including to trees, islands, wetlands/ponds, woodlands, ravines, beaches/bluffs and conservation areas</p> <p>b) Projects that support, protect or restore biological diversity in urban areas including parks, ravines, and other green spaces, natural environment trails and green roofs.</p>	Biodiversity, Natural resource conservation	<ul style="list-style-type: none"> • Number of trees, seedlings, shrubs planted • Hectares of natural area managed • Meters of natural surface trails built or restored • Hectares of natural surface trail footprint
Affordable basic infrastructure	<p>Funding of facilities, services, systems or equipment that enhance the affordability of basic municipal infrastructure, examples of which include transportation, water and energy.</p> <p>Safe, public and universal accessibility improvements to transportation infrastructure, such as pedestrian crossings, audible traffic and crosswalk signals, and sidewalks, and improving accessible public transportation</p>	Affordable basic infrastructure	<ul style="list-style-type: none"> • Number of new household water connections • Usage of accessible transit (e.g. WheelTrans)
Access to essential services	<p>Funding of assets in support of publicly available, not-for-profit, free or subsidized essential services, including any of:</p> <p>a) Education (including training centres and education and training programs and services to vulnerable population groups)</p> <p>b) Healthcare (including public hospitals, clinics, health counselling, medical equipment, dental programs, mental health and addiction facilities and programs, health promotion, homes or health facilities for the general public)</p> <p>c) Care Centres (including EarlyON childcare centres, recreation and community centres, long term care centers, seniors' centres, and support for organizations that provide similar services to target populations such as newcomers, homeless, victim of human trafficking or domestic violence, asylum claim status, Indigenous)</p> <p>d) Residential Care (domiciliary hostel) program that provides financial support for housing to adults who cannot live on their own and need some help with daily living activities</p>	Access to essential services	<ul style="list-style-type: none"> • Number of target population individuals benefiting from training/education programs • Number of health facilities, hospitals, clinics, health centres, health research centres, built or upgraded

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Affordable housing	<p>i) Construction, development, purchase, and maintenance of new or existing buildings that provide social and/or affordable housing which includes:</p> <p>a) Housing for households or individuals whose income is 120% of the area median income (AMI) and where housing for households or individuals whose rents are ≤30% median income</p> <p>b) No-cost housing solutions such as homeless shelters and transition housing for homeless families and individuals</p> <p>c) Delivery of federal, provincial and municipal affordable housing programs including the Home Ownership Assistance Program, and the provision of rent supplement, such as the Housing First programme that aim to increase the supply of affordable housing for low-income households and vulnerable groups</p> <p>d) Provision of the City's Rent Supplement or Housing Allowance programs for low-income individuals and families, such as Rent-Geared-to-Income, Toronto Rent Bank, and Housing Stabilization Fund (HSF)</p> <p>ii) Renovation, maintenance and improvements of shelters, and social and affordable housing projects (i.e. capital projects to enhance accessibility)</p>	Affordable housing	<ul style="list-style-type: none"> • Number of individuals benefiting from shelter beds • Number of individuals / families benefiting from subsidized housing
Socioeconomic advancement and empowerment	<p>Funding of assets in support of publicly available, free or subsidized services that promote socioeconomic advancement and empowerment, including any of:</p> <p>a) Providing employment and social supports to youth, new immigrants, social assistance recipients, low-income individuals and other underserved populations</p> <p>b) Ensuring safe, affordable and universal accessibility to the public transportation for disadvantaged targeted populations (e.g. children, disabled, low-income, seniors)</p> <p>c) Supporting older adults and/or people with disabilities such as care homes, day centres, rehabilitation and specialized assistance that allow maximizing the development of their capacities and possibilities of social integration, etc.</p> <p>d) Providing free and equitable access to public library services</p> <p>e) Shelter homes, and counselling for victims of human trafficking or domestic violence</p>	Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Number of target population individuals benefiting from training/education programs • Youth unemployment rate

Endnotes

- [1](#) Point-in-time assessment is applicable only on date of assignment or update
- [2](#) City of Toronto, [TransformTO Net Zero Strategy: Action Plan \(2026-2030\)](#)
- [3](#) See Ontario Energy Board, [Ontario's System-Wide Electricity Supply Mix: 2024 Data](#)
- [4](#) City of Toronto, [2023 Sector-based Emissions Inventory](#)
- [5](#) International Energy Agency, [Energy Efficiency](#), accessed February 2025
- [6](#) City of Toronto, [Long Term Waste Management Strategy](#)
- [7](#) City of Toronto, [2023 Sector-based Emissions Inventory](#)
- [8](#) City of Toronto, [2026–2035 Circular Economy Roadmap](#)
- [9](#) City of Toronto, [2023 Sector-based Emissions Inventory](#)
- [10](#) City of Toronto, [Resilience Strategy](#)
- [11](#) City of Toronto, [Toronto's Climate Risks: Understanding Vulnerability Today, Preparing for Tomorrow](#), November 2025
- [12](#) City of Toronto, [2023 Sector-based Emissions Inventory](#)
- [13](#) City of Toronto, [Wild, Connected and Diverse: A Biodiversity Strategy for Toronto](#), September 2019
- [14](#) City of Toronto, [Vision Zero Road Safety Plan](#)
- [15](#) City of Toronto, [Toronto Housing Data Book](#)
- [16](#) Ibid
- [17](#) City of Toronto, [HousingTO 2020-2030 Action Plan](#)
- [18](#) City of Toronto, [Poverty Reduction Strategy](#)

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REPORT NUMBER 1475439