Second-Party Opinion
City of Toronto Social Debenture Framework

Evaluation Summary
Sustainalytics is of the opinion that the City of Toronto Social Debenture Framework is credible and impactful and aligns with the four core components of the Social Bond Principles 2018. This assessment is based on the following:

**USE OF PROCEEDS** The eligible categories for the use of proceeds – (i) Social and Affordable Housing, (ii) Affordable Basic Infrastructure, (iii) Access to Essential Services, and (iv) Socioeconomic Advancement and Empowerment – are aligned with those recognized by the Social Bond Principles that seek to achieve positive socioeconomic outcomes for target populations. Sustainalytics considers that the eligible categories will lead to positive social impacts and advance the UN Sustainable Development Goals, specifically SDG 1, 3, 4, 6, 8, 9, and 11.

**PROJECT EVALUATION / SELECTION** The Capital Markets Division (CMD), in consultation with internal and external expert stakeholders, will be in charge of selecting eligible Social Projects that comply with selection criteria and the City’s laws and regulations. Sustainalytics considers the project selection process to be in line with market practice.

**MANAGEMENT OF PROCEEDS** The Accounting Services Division will be responsible for keeping track of funding status and funding allocation to each project. Proceeds will be directly applied to projects at the time of issuance, and where substantial completion has not been met on a Social Project, funds will be invested and held in a City account. Sustainalytics is of the opinion that the City of Toronto’s processes for management of proceeds is in line with market practice.

**REPORTING** The City of Toronto intends to publish a newsletter that will report on the allocation proceeds on an annual basis and until full allocation on its website. In addition, the City of Toronto is committed to reporting on relevant impact metrics. Sustainalytics views the City of Toronto’s allocation and impact reporting as aligned with market practice.

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**Evaluation date** March 18, 2020
**Issuer Location** Toronto, Canada

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- Introduction .......................................................... 2
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Introduction

The City of Toronto is the most populous city in Canada, and one of the largest in North America, with a population of approximately 2,730,000.¹

The City of Toronto has developed the Social Debenture Framework ("Framework") under which it intends to issue one or more social debentures and use the proceeds to finance or refinance, in whole or in part, new and/or existing projects with positive social outcomes ("Social Projects") especially but not exclusively for a target population(s). The Framework defines eligibility criteria in four areas:

1. Social and affordable housing
2. Affordable basic infrastructure
3. Access to essential services
4. Socioeconomic advancement and empowerment

The City of Toronto engaged Sustainalytics to review the Social Debenture Framework dated March 2020 and provide a second-party opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2018 ("SBP 2018").² This Framework has been published in a separate document.³

As part of this engagement, Sustainalytics held conversations with various members of City of Toronto’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the City of Toronto’s Social Debenture Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the City of Toronto’s Social Debenture Framework and should be read in conjunction with that Framework.

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² The Social Bond Principles are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/
³ The Social Debenture Framework is available on the City of Toronto’s website at: https://www.toronto.ca/city-government/budget-finances/city-finance/investor-relations/social-debenture-program/.
Sustainalytics’ Opinion

Section 1: Sustainalytics’ Opinion on the Social Debenture Framework

Sustainalytics is of the opinion that the Social Debenture Framework is credible and impactful and aligns with the four core components of the SBP 2018. Sustainalytics highlights the following elements of the City of Toronto’s Social Debenture Framework:

• Use of Proceeds:
  - The use of proceeds categories – Social and Affordable Housing; Affordable Basic Infrastructure; Access to Essential Services; and Socioeconomic Advancement and Empowerment – are recognized as impactful by the SBP 2018.
  - The “Social and Affordable Housing” category allows for bond proceeds to fund the development as well as renovation, maintenance, and improvement of social and affordable housing and shelters. The Framework identifies eligible beneficiaries based on, but not limited to, income level, size of household, current asset limit, and victims of human trafficking or domestic violence.
  - For the “Affordable Basic Infrastructure” category, the City intends to allocate bond proceeds to the development, expansion, improvement and repair of basic infrastructure in the areas of waste management, public transportation, and water and wastewater management.
    ▪ For the collection, transporting and disposing of solid waste, eligible expenditures will be limited to providing “adapted rate” support in the form of rebates to vulnerable populations.
    ▪ For the other project areas – collection, transporting and processing of recyclables, composting, and household hazardous waste; providing accessible transportation and sidewalks; and drinking water, stormwater management and flood mitigation – eligible expenditures include both providing these services to the general public, as well as providing “adapted rate” support to vulnerable populations.
    ▪ Sustainalytics has encouraged the City of Toronto to deliver these services in as low-carbon a manner as possible, including through purchase and deployment of low-carbon vehicles and processes.
  - For “Access to Essential Services”, the City intends to allocate bond proceeds to capital projects which enhance services in the areas of long-term care and senior care; education and vocational training services to vulnerable groups; and mental health and addiction support services. Sustainalytics notes that the City will ensure that capital projects receiving bond proceeds will be put towards initiatives which are public, not-for-profit, free or subsidized.
  - The “Socioeconomic Advancement and Empowerment” category will finance capital projects to supporting social advancement in the form of employment and social supports; subsidized public transportation for disadvantaged populations; centres of care for older adults and people with disabilities; and public libraries.
  - Sustainalytics notes positively that the City of Toronto has identified target populations for many of its Social Projects as recommended by the SBP. While not all projects and programs have a defined a target population, Sustainalytics recognizes that advancing widely accessible public systems offered in the city will increase social benefits to both disadvantaged groups as well as the general public.

• Project Evaluation and Selection:
  - The City of Toronto’s Capital Markets Division (CMD), in consultation with internal and external expert stakeholders, will be responsible for the selection of eligible Social Projects. Social Projects are required to meet the guidelines set forth in the Social Debenture Framework and be in compliance with all applicable laws, regulations, and policies of the City, including undergoing social and environmental risk assessment.
  - Debenture proceeds will be allocated to projects with a maximum lookback period of three years and, in accordance with the City of Toronto Act,⁴ bond proceeds must be fully allocated at the time of issuance to specific capital projects.

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Second-Party Opinion
City of Toronto Social Debenture Framework

- Sustainalytics considers the City’s procedures for project evaluation and selection to be in line with market practice.

**Management of Proceeds:**
- The City’s Accounting Services Division will track the funding status and sources of each Social Project. For each debenture issuance, the City of Toronto will enact a by-law that will list the amount allocation of debenture proceeds to specific projects. The debenture by-law will be approved by the City’s Debenture Committee, and after the issuance of each debenture proceeds will be applied directly to repay the City’s temporary funding of the project. Where substantial completion has not been met the funds will be invested and held in an account of the City.
- In the case where a Social Project has been completed and excess funds remain, such funds will be applied to other Social Projects and an amendment to the debenture by-law will need to be approved by the Debenture Committee.
- Sustainalytics considers this process to be in line with market practice.

**Reporting:**
- CMD will be responsible for coordinating with relevant City Divisions to collect and report on both funding allocation and social impact reporting. This information will be published in an annual newsletter on the City’s website. The reporting will include a list of specific projects and amounts financed through the debenture by-law/s; unspent debenture proceeds; project updates, and status reports for Social Projects; and reporting on key impact indicators (“KII’s”).
- Relevant KIIs, which may be reported on, include, among others: the number of individuals or families benefiting from social and affordable housing; the number of new household water connections; the number of seniors benefiting from senior services; and number of vulnerable individuals benefiting from the training/education programs.
- Based on these reporting commitments, Sustainalytics considers this process to be in line with market practice.

*Alignment with Social Bond Principles 2018*

Sustainalytics has determined that the Social Debenture Framework aligns to the four core components of the SBP 2018. For detailed information, please refer to Appendix: Social Bond/Social Bond Programme External Review Form.
Section 2: Sustainability Strategy of the City of Toronto

Contribution of Framework to City of Toronto’s sustainability mandate

Sustainalytics is of the opinion that the City of Toronto demonstrates a strong commitment to social sustainability through various policies and programmes. The City’s approach is underpinned by several foundational policies, including its Social Development Strategy (2001), Corporate Strategic Plan, the City of Toronto Act (2006) and the Official Plan. These policies and plans provide the direction for how the City intends to grow sustainably and each is supplemented by additional policies and programmes in the areas of housing, transportation, community services, the environment, parkland, and water and water management, among others.

The City’s Social Development Strategy (2001) sets the overall framework for the City to promote inclusion, equity and quality of life for city residents. The strategy focuses on three broad areas:

(i) Strengthening Communities – seeks to support building community capacity, encourage participation in communities and government, and to increase access to community space.

(ii) Investing in Social Infrastructure – identifies areas for strategic investment in social development, to increase the effectiveness and coordination of planning activities, to extend social monitoring and reporting, to evaluate program success, and to seek more fair and flexible sources for city revenue.

(iii) Expanding Civic Leadership – aims to work towards a joint strategy for social development in the Greater Toronto Area (GTA), work with other municipalities to develop a national urban agenda and to strengthen the city’s role as advocate.

To advance the City’s social sustainability agenda in particular, the City has adopted, and continues to refine, strategies such as the following:

- The “HousingTO 2020-2030” action plan sets out strategic directions and actions to assist approximately 341,000 households with critical housing support. Support ranges from emergency shelters and transitional housing, through to social and supportive housing, market and affordable rental housing and homeownership. This Action Plan updates the City’s previous approach to housing, which was laid out in the “Toronto Housing Charter – Opportunity for All”. “HousingTO 2020-2030” seeks to leverage existing and proposed investments by all three orders of government, with a total identified investment of US $17 billion ($23.4 billion Canadian).

- “A Healthy City for All” aims to improve the health of citizens, with a particular focus on reducing inequities and ensuring health services are accessible and respond to emerging public health issues.

- “Economic Development & Culture Divisional Strategy 2018-2022” is meant to address the economic and cultural inequalities across Toronto through programs and services that seek to support communities and underserved areas of the city.

- “TO Prosperity: Poverty Reduction Strategy” seeks to mitigate the effects of poverty and reduce its prevalence among Toronto residents. This program touches upon housing stability, service access, transportation equity, food access, quality jobs and livable incomes, and systemic change.

Sustainalytics is of the opinion that the Framework is aligned with the City of Toronto’s sustainability strategy and that debenture proceeds will finance Social Projects which will increase the likelihood of the City meetings its social impact goals.

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Well positioned to address common social and environmental risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the SBP 2018 to have positive social impacts, Sustainalytics is aware that such projects could also lead to negative social and environmental outcomes. Some key social and environmental risks associated with the eligible projects include worker health and safety, local community approval and stakeholder participation. In addition, social projects may also create some risk of increasing inequality if not targeted to vulnerable populations.

The City’s approach to managing the social and environmental risks identified, include a combination of regulations and internal processes. For example, City staff undertake social impact assessments of various projects prior to City council approving them. Regarding worker health and safety, the City works to ensure full compliance with the Occupational Health & Safety Act, which includes protecting the health and safety of both City employees and employees of service providers to the City.

In addition, all projects undertaken by the City of Toronto must comply with municipal and provincial regulations, including the following:

- The Ontario Human Rights Code – This provincial code guarantees equal rights and opportunities without discrimination in various ‘protected areas’ such as housing, employment, and services.
- The City of Toronto Act – This law recognizes the broad powers of the City and sets the principles to be followed to provide good government. The basis for good government includes determining and addressing the needs of the city while ensuring accountability to the public and appropriate mechanisms for the delivery of services.
- The Safe Drinking Water Act – This law specifically recognizes the responsibility of the municipalities in Ontario to ensure safe drinking water and has as a requirement for all regulated drinking water systems to have a person with expert or professional knowledge certify compliance with regulatory requirements in addition to having strict Quality Management Standards.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that the City of Toronto has in place sufficient measures to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The four use of proceeds categories are recognized as impactful by the SBP. Sustainalytics has focused on two categories below where the impact is specifically relevant in the local context.

Socioeconomic advancement and empowerment in Toronto

Social, economic, and environmental rights and justice, along with a right to housing has been identified as both a key risk and key priority across the province of Ontario, including the City of Toronto. Median employment income has stagnated over the past decade, while the cost of living has continued to increase, resulting in Toronto having the second highest cost of living of any city in Canada. This economic situation disproportionately affects lower-income individuals and families. Recent studies show that increasing the incomes of the poorest 20% of citizens in Toronto would not only yield positive changes in their lives but would also deliver cost savings in the form of lower use of the health care system, less involvement in the justice

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system and better employment outcomes. Canadian studies estimate that more than 1 in 4 children\textsuperscript{23} are living below the Low Income Measure\textsuperscript{24} and that 20-25% of children who grow in poverty are likely to remain in those conditions.\textsuperscript{25} Therefore, supporting socioeconomic advancement provides multiple individual and societal benefits.

Sustainalytics believes that the use of debenture proceeds to finance Social Projects such as those that assist job seekers, newcomers, youth, seniors, citizens with disabilities and others will increase the social advancement and empowerment opportunities of vulnerable and underserved population groups. These projects will have a tangible positive contribution that will advance the City’s agenda to combat economic and cultural disparities and contribute to the city’s Poverty Reduction Strategy.

**The importance of Social and Affordable Housing**

In the last decade, the City of Toronto has and is undergoing a “housing squeeze” that has driven up household expenditures on shelter (rent, mortgages, taxes repairs, etc.) and has priced out low-income families and individuals altogether from finding suitable housing in the city. A report commissioned by the Affordable Housing Office of the City of Toronto found that the amount of people waiting for social housing has grown to approximately 100,000 households,\textsuperscript{26} which translates to an average wait time of 10-12 years.\textsuperscript{27} Projections show that the social housing waitlist will continue to surpass the number of available units\textsuperscript{28} as Toronto’s population is expected to grow at a faster pace than in the most recent decade.

In this context, the City of Toronto’s goal to finance projects for the development and provision of social and affordable housing to disadvantaged populations directly supports Canada’s National Housing Strategy Act,\textsuperscript{29} which aims to improve housing outcomes for persons in greatest needs. These projects will also support the HousingTO 2020-2030 Action Plan, which seeks to enhance eviction prevention measures, maintain and sustain Toronto Community Housing Corporation, support the creation of 40,000 affordable rental and supportive homes, help homeowners stay in their homes and purchase first homes, and support in-home care and long-term care options for seniors.\textsuperscript{30}

Sustainalytics considers projects under this use of proceeds category to have the potential for significant positive social impacts. While a complex area of policy, the City of Toronto has a robust strategy in place to better ensure that affordable housing and emergency shelter beds are provided to those in need.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This social bond advances the following SDG goals and targets:

<table>
<thead>
<tr>
<th>Use of Proceeds Category</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and affordable housing</td>
<td>11. Sustainable cities and communities</td>
<td>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</td>
</tr>
<tr>
<td>Affordable basic infrastructure</td>
<td>6. Clean Water and Sanitation</td>
<td>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all</td>
</tr>
</tbody>
</table>
|                         | 9. Industry, Innovation and Infrastructure | 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and


\textsuperscript{24} The Low Income Measures are a set of thresholds estimated by Statistics Canada that identify Canadians whose income are below half of the median of the adjusted income distribution. At: https://www150.statcan.gc.ca/n1/pub/75f0002m/2012002/lim-eng.htm.


The City of Toronto has developed the Social Debenture Framework under which it will issue social debentures and use the proceeds to finance Social Projects such as housing for the city’s most vulnerable residents, affordable transit, healthcare services, and other projects which will benefit underserved and vulnerable populations. Sustainalytics considers that the projects funded by the social debenture proceeds will provide positive social impact.

The Social Debenture Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Social Debenture Framework is aligned with the overall sustainability strategy of the City of Toronto and that the social use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals SDG 1, 3, 4, 6, 8, 9, and 11. Additionally, Sustainalytics is of the opinion that City of Toronto has sufficient measures to identify, manage and mitigate social and environmental risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that City of Toronto is well-positioned to issue social debentures and that the Social Debenture Framework is robust, transparent, and in alignment with the core components of the Social Bond Principles 2018.
Appendix

Social Bond/ Social Bond Programme – External Review Form
Section 1. Basic Information

<table>
<thead>
<tr>
<th><strong>Issuer name:</strong></th>
<th>City of Toronto</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Bond ISIN or Issuer Social Bond Framework Name, if applicable:</strong></td>
<td>Social Debenture Framework</td>
</tr>
<tr>
<td><strong>Review provider’s name:</strong></td>
<td>Sustainalytics</td>
</tr>
<tr>
<td><strong>Completion date of this form:</strong></td>
<td>March 18, 2020</td>
</tr>
<tr>
<td><strong>Publication date of review publication:</strong></td>
<td>[where appropriate, specify if it is an update and add reference to earlier relevant review]</td>
</tr>
</tbody>
</table>

Section 2. Review overview

**SCOPE OF REVIEW**

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the SBPs:

☒ Use of Proceeds
☒ Process for Project Evaluation and Selection
☒ Management of Proceeds
☒ Reporting

**ROLE(S) OF REVIEW PROVIDER**

☒ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification
☐ Rating
☐ Other (please specify):

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

**EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)**

Please refer to Evaluation Summary above.
Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible categories for the use of proceeds (i) Social and Affordable Housing, (ii) Affordable Basic Infrastructure, (iii) Access to Essential Services, and (iv) Socioeconomic Advancement and Empowerment, are aligned with those recognized by the Social Bond Principles that seek to achieve positive socioeconomic outcomes for target populations. Sustainalytics considers that the eligible categories will lead to positive social impacts and advance the UN Sustainable Development Goals, specifically SDG 1, 3, 4, 6, 8, 9, and 11.

Use of proceeds categories as per SBP:

☒ Affordable basic infrastructure
☒ Affordable housing
☐ Food security
☐ Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs

☒ Access to essential services
☐ Employment generation (through SME financing and microfinance)
☒ Socioeconomic advancement and empowerment
☐ Other (please specify):

If applicable please specify the social taxonomy, if other than SBPs: Social and Affordable Housing

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Capital Markets Division (CMD), in consultation with internal and external expert stakeholders, will be in charge of selecting eligible Social Projects that comply with selection criteria and the City’s laws and regulations. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

☒ Credentials on the issuer’s social objectives
☒ Defined and transparent criteria for projects eligible for Social Bond proceeds
☒ Summary criteria for project evaluation and selection publicly available

☒ Documented process to determine that projects fit within defined categories
☒ Documented process to identify and manage potential ESG risks associated with the project
☐ Other (please specify):

Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification
☐ In-house assessment
3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The Accounting Services Division will be responsible for keeping track of funding status and funding allocation to each project. Proceeds will be directly applied to projects at the time of issuance, and where substantial completion has not been met on a Social Project, funds will be invested and held in a City account. Sustainalytics is of the opinion that the City of Toronto’s processes for management of proceeds is in line with market practice.

Tracking of proceeds:

☒ Social Bond proceeds segregated or tracked by the issuer in an appropriate manner
☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
☐ Other (please specify):

Additional disclosure:

☒ Allocations to both existing and future investments
☐ Allocations to future investments only
☐ Allocation to individual disbursements
☐ Allocation to a portfolio of disbursements
☒ Disclosure of portfolio balance of unallocated proceeds
☐ Other (please specify): By-laws outlining specific projects

4. REPORTING

Overall comment on section (if applicable):

The City of Toronto intends to publish a newsletter that will report on the allocation proceeds on an annual basis and until full allocation on its website. In addition, the City of Toronto is committed to reporting on relevant impact metrics. Sustainalytics views the City of Toronto’s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☒ Project-by-project
☐ On a project portfolio basis
☐ Linkage to individual bond(s)
☒ Other (please specify): By-laws outlining specific projects

Information reported:

☒ Allocated amounts
☐ Social Bond financed share of total investment
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☐ Other (please specify):

**Frequency:**

☒ Annual
☐ Semi-annual
☐ Other (please specify):

**Impact reporting:**

☒ Project-by-project
☐ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):

**Frequency:**

☒ Annual
☐ Semi-annual
☐ Other (please specify):

**Information reported (expected or ex-post):**

☒ Number of beneficiaries
☒ Target populations
☐ Other (please specify): Rental costs compared to the national/regional rent index; usage of accessible transit; share of barrier-free access; recycling rate; treatment of hazardous waste (%); number of students vaccinated, number of vulnerable individuals benefiting from the training/education programs; youth unemployment rate.

**Means of Disclosure**

☐ Information published in financial report
☐ Information published in sustainability report
☐ Information published in ad hoc documents
☒ Other (please specify): newsletter on its website
☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)**

https://www.toronto.ca/
ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP

i. Second Party Opinion: An institution with social expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer’s adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer’s overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer’s internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.

iii. Certification: An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognized external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Social Bond Scoring/Rating: An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.
Disclaimer

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.
Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world’s leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics “Best SRI or Green Bond Research or Ratings Firm” and in 2018 and 2019, named Sustainalytics the “Most Impressive Second Party Opinion Provider. The firm was recognized as the “Largest External Reviewer” by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the “Largest Approved Verifier for Certified Climate Bonds” by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com