

Second-Party Opinion

City of Atlanta Social Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the City of Atlanta Social Bond Framework is credible and impactful and aligns with the four core components of the Social Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds, Affordable Basic Infrastructure, Access to Essential Services and Socio-economic Advancement and Empowerment are aligned with those recognized by the Social Bond Principles, which seek to achieve positive socio-economic outcomes for target populations. Sustainalytics considers that investments in the eligible categories are expected to lead to positive social impact and advance the UN Sustainable Development Goals, specifically SDGs 10 and 11.



PROJECT EVALUATION / SELECTION The City of Atlanta's internal process for evaluating and selecting projects is overseen by the City of Atlanta's Council in coordination with the Office of Sustainability and Resiliency and the operating departments. The City of Atlanta has adopted internal policies and processes to address environmental and social risks associated with the projects financed. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The City of Atlanta's Office of Treasury, Debt and Investments will oversee the management and allocation of proceeds to eligible projects. The City of Atlanta intends to fully allocate proceeds within five years of the issuance. Pending full allocation, net proceeds will be temporarily held in permitted investments defined in the Framework. This is in line with market practice.



REPORTING The City of Atlanta intends to report on allocation of proceeds on its investor relations website on an annual basis until full allocation. The 2022A-1 Social Bond Report will include disclosures on the net proceeds generated from social financing and on the proceeds allocated to each eligible social project. In addition, the City of Atlanta's 2022A-1 Social Bond Report will include certain social impact metrics. Sustainalytics views the City of Atlanta's allocation and impact reporting as aligned with market practice.

Second-Party
Opinion



Reviewed by:

MORNINGSTAR

SUSTAINALYTICS

Evaluation date October 17, 2022

Issuer Location Atlanta, USA

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	9

For inquiries, contact the Sustainable Finance Solutions project team:

John-Paul Iamonaco (Toronto)

Project Manager

john-paul.iamonaco@sustainalytics.com

(+1) 416 861 0403

Hamoda Youssef (Toronto)

Project Support

Nazli Selin Ozbilgin (Amsterdam)

Project Support

Ayaka Okumura (Amsterdam)

Project Support

Maria-Pilar Salazar (New York)

Client Relations

susfinance.americas@sustainalytics.com

(+1) 646 518 9623

Introduction

Atlanta is the capital of the US state of Georgia, the largest city in the state and a major trade and transport centre in the south-eastern United States. Atlanta's population was estimated at 496,461 in 2021.¹

The City of Atlanta ("Atlanta", the "City" or the "Issuer") has developed the City of Atlanta Social Bond Framework dated October 2022 (the "Framework") to memorialize certain processes and commitments that govern the City's issuance of its General Obligation Public Improvement Bonds, Series 2022A-1 Social Bonds, whose proceeds it intends to use to finance in whole or in part, future eligible social projects intended to provide positive social outcomes, especially, but not exclusively, for target populations. The Framework defines eligibility criteria in three overarching categories:

1. Socio-economic Advancement and Empowerment
2. Affordable Basic Infrastructure, and
3. Access to Essential Services

The City engaged Sustainalytics to review the City of Atlanta Social Bond Framework and provide a second-party opinion on the Framework's social credentials and its alignment with the Social Bond Principles 2021 ("SBP").² The Framework will be published on the City's investor relations website.³

Scope of work and limitations of Sustainalytics' Second-Party Opinion

This Second-Party Opinion reflects Sustainalytics' independent⁴ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Social Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11.3, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of the City of Atlanta's management team to understand the sustainability impact of its processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. The City of Atlanta's representatives have confirmed that: (1) they understand it is the sole responsibility of the City to ensure that the information provided by the City to Sustainalytics for the purpose of preparing the Second-Party Opinion is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the City of Atlanta.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The

¹ United States Census Bureau, "Quick Facts Atlanta city, Georgia; Georgia", at: <https://www.census.gov/quickfacts/fact/table/atlantacitygeorgia,GA/PST045221>

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 City of Atlanta Social Bond Framework is available on the City of Atlanta's investors relation webpage at: <https://www.buyatlantabonds.com/>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon 24 (twenty-four) months from the evaluation date set stated herein, the City is encouraged to update the Framework, if necessary, and seek an update to this Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the City of Atlanta has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the City of Atlanta Social Bond Framework

Sustainalytics is of the opinion that the City of Atlanta Social Bond Framework is credible and impactful, and aligns with the four core components of the SBP. Sustainalytics highlights the following elements of the City of Atlanta Social Bond Framework:

Use of Proceeds:

- The eligible categories, Affordable Basic Infrastructure, Access to Essential Services and Socio-economic Advancement and Empowerment, are aligned with those recognized by the SBP.
- In line with the Socio-economic Advancement and Empowerment category, the City intends to fund the construction, renovation, repair, improvement, acquisition, development and maintenance of projects in two sub-categories: (i) Parks and Recreation, and (ii) Public Art Program.
 - The Parks and Recreation projects will primarily target underserved "equity neighbourhoods"⁵ within Atlanta, provide ADA⁶ access, improve safety and ensure equitable access to parks, nature and recreation facilities within a 10-minute walk. The Framework also contemplates financing projects following the City's Department of Parks and Recreation (DPR) Activate ATL Master Plan,⁷ including parks, recreation centres and pools, park improvements and maintenance facilities, brownfield clean-ups, activation of greenspaces, and renovation of greenhouses in underserved equity neighbourhoods. The City confirmed to Sustainalytics that all of its parks and recreation centres are free to enter and that all direct programming is free for seniors and low-income members of its population. The DPR staff has measures in place to ensure accessibility to such programmes regardless of ability to pay. Sustainalytics views this as good practice for equitable access to nature and recreation amenities.
 - The City, through the Mayor's Office of Cultural Affairs (OCA) will finance the development and management of Public Art Program projects that aim to increase community involvement and reflect the interests, values and identity of the surrounding community. The art programmes will be free and open to the public. Sustainalytics notes that the OCA will evenly allocate projects among the 12 city council districts,⁸ including the equity neighbourhoods, and will follow the community engagement process and artists selection criteria as outlined in the City of Atlanta Public Art Master Plan⁹ in order to increase community awareness, involvement and ownership of public

⁵ The City of Atlanta defines equity neighbourhoods as a neighbourhood where the (i) racial composition is predominantly minority, (ii) median household income is lower than that of the City average, (iii) households are below the poverty line, (iv) concentration of women or sexual and gender minorities is substantial, (v) median property value is lower than that of the City average, (vi) percentage of non-US citizens is substantial, and/or (vii) homeownership rate is lower than that of the City average.

⁶ US Access Board, Americans with Disabilities Act, Accessibility Standards, at: <https://www.access-board.gov/ada/>

⁷ City of Atlanta, Activate ATL Comprehensive Parks and Recreation Master Plan at: [Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf \(activate-atl.com\)](https://www.atl.com/activate-atl-com)

⁸ City of Atlanta, Council Districts At A Glance, at: <https://www.arcgis.com/apps/dashboards/7bcc50bb94ed45d0884c345959c2ddcb>

⁹ City of Atlanta, Public Art Master Plan at: <https://www.oaatlanta.com/wp-content/uploads/2013/07/Atlantas-Public-Art-Master-Plan.pdf>

- art projects. Sustainalytics views this to be good practice for socio-economic advancement and empowerment.
- In line with the Affordable Basic Infrastructure category, the City intends to finance the construction, renovation, repair, improvement, acquisition, development and maintenance of Transport and Trails projects.
 - The Transportation and Trails projects will provide access for underserved equity neighbourhoods to job centres, education facilities, public transit and amenities. The Framework contemplates financing projects to be carried out by the Atlanta Department of Transportation (ATLDOT) such as sidewalks, trails, safe streets, bike lanes, and bridges.¹⁰ Sustainalytics notes that the intended projects would additionally enhance commuter safety measures, provide ADA ramps, and safe alternatives for wheelchair users. Sustainalytics views this to be good practice to improve affordable basic infrastructure across the City.
 - Within the Access to Essential services category, the City intends to finance the construction, development and maintenance of new fire stations.
 - These projects will be carried out by City of Atlanta's Department of Enterprise Assets Management (DEAM) in underserved equity neighbourhoods.
 - The City anticipates that these investments will result in an improvement in the provision of firefighting services to currently underserved communities, such as improved service capacity and faster response times. Sustainalytics nonetheless considers these investments to be an unusual expenditure for a social bond.
 - Additionally, the City will allocate 8% of the proceeds towards district local funds. Each city council district will finance neighbourhood projects that are not already covered by the city-wide investments. Sustainalytics notes that project specifics will not be defined prior to pricing, but that all projects must fit in a category or subcategory in the Atlanta City Council Resolution 21-R-3928¹¹ and qualify as eligible expenditures in the Framework.
 - Sustainalytics notes positively that the City of Atlanta has identified target populations for many of its social projects as recommended by the SBP. In spite of some projects and programmes having a city-wide approach, Sustainalytics recognizes that improving accessibility to public projects offered in Atlanta will increase social benefits to disadvantaged groups as well as to the general public.
 - Sustainalytics notes positively the City of Atlanta's intention to deliver these projects in a low-carbon manner, where feasible, to promote green infrastructure, energy efficiency and green buildings.

Project Evaluation and Selection:

- The Mayor's Office of Resilience is responsible for assessing and supporting the City's overarching sustainability policies and programmes. Each operating department (DPR, OCA, ATLDOT and DEAM) has followed an established selection process and presented the intended projects to be financed with the Series 2022A-1 Proceeds to the City Council for approval. On December 6, 2021, the projects were unanimously adopted by the Atlanta City Council through Resolution 21-R-3928.
- Through its operating departments, the Office of Enterprise Risk Management, and district council members, the City carries out an environmental and social risk review based on internal frameworks for environmental and social risk management. This applies to all projects selected to be financed with the Series 2022A-1 Proceeds. For additional details, please see Section 2.
- Based on the presence of cross-functional oversight for project selection and risk management processes, Sustainalytics considers this to be in line with market practice.

Management of Proceeds:

- The City's Office of Treasury, Debt and Investments will be responsible for the management and allocation of proceeds to eligible projects. The Series 2022A-1 proceeds will be deposited in a

¹⁰ Renovation of bridges will include widening of pedestrian walkways to improve public safety with respect to vehicle traffic, while also facilitating access to job centres, education facilities, public transit and amenities in underserved equity neighbourhoods.

¹¹ City of Atlanta, Resolution 21-R-3938 at:

https://atlantacityga.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=3522&MediaPosition=12513.707&ID=26988&CssClass=

segregated fund designated to the City of Atlanta 2022 Public Improvement Project. Pending allocation, proceeds will be held in permitted investments defined in the Framework.¹² The City confirmed that temporary allocation will not include carbon-intensive assets or activities, such as fossil fuel exploration and production or hard-to-abate sectors, but may include public transportation-related investments in toll roads, highways and other infrastructure. Sustainalytics does not regard such public transportation investments to be GHG intensive, hence considers the management and temporary allocation of proceeds to be in line with market practice.

- The City intends to reach full allocation within five years of the issuance of the Series 2022A-1 Bonds. The City communicated to Sustainalytics that the majority of the proceeds will be allocated within three years of issuance, but some of the newly constructed public safety projects could take up to five years to reach full allocation. Sustainalytics considers market expectation to fully allocate the proceeds within three years and acknowledges the City's intention to allocate a minority of the proceeds in five years.
- Based on the existence of internal tracking mechanisms to allocate proceeds and the disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.

Reporting:

- The City of Atlanta intends to report on allocation of proceeds on its investor relations website on an annual basis until full allocation.
- The 2022A-1 Social Bond Report will include the amount of the allocated net proceeds.
- The City's 2022A-1 Social Bond Report will include qualitative and quantitative social impact metrics. Sustainalytics encourages the City to identify key performance indicators when reporting for investments in social categories.
- Based on the City's intentions to make publicly available allocation and, where feasible, impact reporting, Sustainalytics considers the reporting process to be in line with market practice

Alignment with Social Bond Principles 2021

Sustainalytics has determined that the City of Atlanta Social Bond Framework aligns with the four core components of the SBP. For detailed information, please refer to Appendix 1: Social Bond/Social Bond Programme External Review Form.

Section 2: Sustainability Strategy of Atlanta

Contribution of Framework to the City of Atlanta's sustainability mandate

Sustainalytics is of the opinion that the City of Atlanta demonstrates a commitment to social sustainability through its various strategies and programmes, which provide direction on the City's sustainable growth plan through 2030. The City's resilience strategy sets the overall framework for the City to promote inclusion, equity and quality of life for Atlanta's residents, to support development of an equitable and inclusive city while preserving Atlanta's natural environment and to improve the efficiency of Atlanta's civic system.¹³ The Resilient Atlanta Plan stipulated a number of targets to empower its residents, such as creating 500 new acres of publicly accessible green spaces, improving access to transportation across Metro Atlanta, and connecting Metro Atlantans to new liveable wage jobs.¹⁴

¹² The City communicated that its investment activities are delimited by State of Georgia statutes and the City's own investment policies. These limit the City's investments to US treasury and agency securities, the state's local government investment pool (Georgia Fund 1) and, in certain circumstances, municipal bonds. Investment in corporate securities is specifically prohibited. As it pertains to the temporary allocation of the Series 2022A-1 Bond Proceeds through permitted investments, the City anticipates having no investment in carbon-intensive assets. Any exposure would be through municipal revenue bonds issued by public transportation authorities (i.e. road-, toll road- and highway-related bonds). Currently, less than USD 10 million of the City's approximately USD 2.5 billion portfolio is invested in bonds related to transportation authorities, making the allocation to this subsector smaller than 0.004% of the total portfolio.

¹³ City of Atlanta, "Resilient Atlanta" (2017), at: https://resilientcitiesnetwork.org/downloadable_resources/Network/Atlanta-Resilience-Strategy-English.pdf

¹⁴ Ibid.

The City incorporates sustainability strategies into the work of various departments with a focus on creating positive social impact.¹⁵ The Atlanta Department of Transportation's Strategic Transportation Plan aims to provide clean transportation and promote road safety by offering safe alternatives for pedestrians and cyclists, improving transportation infrastructure and making Atlanta's transportation network more accessible.¹⁶ In 2020, the City's Department of Parks and Recreation launched the Parks and Recreation System Master Plan, which aims to improve parks and recreational facilities in underserved neighbourhoods in Atlanta and to create accessible, safe, high-quality and well-maintained parks for all.¹⁷ To advance the City's social sustainability agenda, the Department of Grants and Community Development has adopted strategies to provide financial support to residents in need.¹⁸ The City's Strategic Plan sets out strategic directions and actions to assist with critical housing support (emergency shelters and transitional housing) through initiatives such as the Community Development Block Grant (CDBG), Home Investment Partnership, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS during the 2020-2024 planning period.¹⁹

Projects funded by the CDBG, for example, focus on the construction and renovation of buildings open to the general public, whether owned by the government or by non-profit institutions, repairing healthcare and public safety facilities (fire and police stations), street, road or sidewalk improvements, and expansion of parks and green space networks.²⁰

Sustainalytics is of the opinion that the Framework is aligned with the City of Atlanta's overall sustainability strategy and initiatives, and that the proceeds will finance social projects expected to support the City in its social impact efforts.

Approach to managing social and environmental risks associated with the projects

Sustainalytics recognizes that the proceeds from instruments issued under the Framework will be directed towards eligible projects that are expected to have positive social impacts. However, Sustainalytics is aware that such projects could also lead to negative social and environmental outcomes. Some key social and environmental risks possibly associated with the eligible projects may include local community approval and stakeholder participation, worker health and safety, land use and biodiversity issues associated with infrastructure development, including emissions, effluents and waste generated in construction and operations. In addition, social projects may also create some risk of increasing inequality if not targeted to vulnerable populations.

Sustainalytics is of the opinion that the City is able to manage or mitigate potential risks through implementation of the following:

- With respect to community approval and stakeholder participation, the City encourages the participation of all residents of Atlanta in its decision-making processes and focuses on engaging with low- and moderate-income residents of Atlanta's underserved areas and vulnerable populations. This includes initiatives to overcome inequality and increase stakeholder participation for minorities, disabled persons and persons with limited English proficiency.²¹
- The City has implemented several safety rules and plans to address occupational health and safety risks associated with construction projects. Atlanta's Construction Safety and Health Plan provides mechanism for managing occupational health and safety risks at all its project sites, including to prevent workplace accidents and injuries. As part of the City's occupational health and safety risk mitigation plan, the City requires its project contractors to sign a safety commitment letter.²²
- In relation to land use and biodiversity issues associated with infrastructure development, the City of Atlanta requires construction projects to develop a hazard communication plan to minimize and control associated hazards and environmental risks. Each plan should be reviewed by a programme safety manager to ensure it is in line with other job-site activities prior to commencing construction

¹⁵ City of Atlanta, "2020-2024 Consolidated Plan and 2020 Annual Action Plan" (2020) at: <https://www.atlantaga.gov/home/showpublisheddocument/46869/637291284076900000>

¹⁶ City of Atlanta, "Strategic Transportation Plan" (2019) at: <https://www.atlantaga.gov/Home/ShowDocument?id=43742>

¹⁷ City of Atlanta, "Activate ATL - Comprehensive Parks and Recreation Master Plan" (2021) at: https://activate-atl.com/pdf/Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf

¹⁸ City of Atlanta, "2020-2024 Consolidated Plan and 2020 Annual Action Plan" (2020) at: <https://www.atlantaga.gov/home/showpublisheddocument/46869/637291284076900000>

¹⁹ City of Atlanta, "Grants and Community Development", at: <https://www.atlantaga.gov/government/departments/grants-and-community-development>

²⁰ Ibid.

²¹ City of Atlanta, "Citizens Participation Plan 2020-2024 Consolidated Plan Years (2022)", at: <https://www.atlantaga.gov/home/showpublisheddocument/56183/637944201349400000>

²² Additional documentation, "Construction Safety and Health Plan – Appendix B-2", provided by the City of Atlanta to Sustainalytics for review.

activities. The City also provides training on safety data sheets and in the handling and disposal of regulated materials.²³

- To address social risks related to inequality, the DPR uses the City of Atlanta Parks and Recreation Equity Data Tool²⁴ to identify and prioritize areas for investments in the city, aiming to reduce disparities in access to the City's parks and recreation system. This tool allows the DPR to identify inequities across Atlanta's neighbourhoods and determine which of the city's areas have the greatest need for investment and capital improvement in parks and recreation.^{25,26}

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

Section 3: Impact of Use of Proceeds

All three use of proceeds overarching categories are aligned with those recognized by the SBP. Sustainalytics has focused on one use of proceed below where the impact is specifically relevant in the local context.

Importance of investing in parks and recreation centres in Atlanta

Atlanta has historically been marked by disproportionate inequality, and the gap between high-income and low-income residents is still clearly reflected in the geography of its neighbourhoods.²⁷ According to the United States Census Bureau, income inequality in Atlanta has been among the highest in the country in recent years.²⁸ Health status also varies significantly among socio-economic neighbourhoods in Atlanta, with a 24-year difference in life expectancy.²⁹ Equity of access to parks, in addition, is an issue to 100 cities in the US, where 44% less park space is available to people of colour than in predominantly white areas, while low-income groups have 42% less park space per capita than higher-income groups.³⁰

In addition to recreational space, Atlanta's parks and recreation facilities have historically played an important role in the City's community, also helping provide essential services to residents, such as warm meals, care, hygiene, workforce training and other programmes.³¹ This role as a system for essential services and critical infrastructure locations for the community continues, for example, during the COVID-19 crisis, outdoor parks proved essential for residents and the city's community fabric.³²

Atlanta's 2020 One Atlanta plan focuses on creating an equitable and just Atlanta,³³ with parks and recreation centres having an important role in this initiative. Currently, 72% of Atlanta's residents live within a 10-minute walk of a park from their home, which is higher than the national average of 55%, yet the City has set an ambitious target to raise this share to 100% by 2050,³⁴ with Atlanta's mayor having signed on to the national 10-Minute Walk Program.³⁵ In this context, Atlanta's 10-year Activate ATL master plan of 2021 aims to improve and expand Atlanta's parks, recreation programmes and facilities.³⁶ Under the plan, the City intends to invest in parks and recreation centres, including adding lighting and equipment for safety, assisting homeless people in parks, and even developing affordable housing around parks, which may also help to address issues with

²³ Additional documentation, "Construction Safety and Health Plan – Appendix B-2", provided by the City of Atlanta to Sustainalytics for review.

²⁴ City of Atlanta, "City of Atlanta Parks and Recreation Equity Data Tool" at: <https://www.arcgis.com/apps/dashboards/0484167fa1bd48c39a3bf45807fa7440>

²⁵ City of Atlanta, "City of Atlanta Parks and Recreation Equity Data Tool" at: <https://www.arcgis.com/apps/dashboards/0484167fa1bd48c39a3bf45807fa7440>

²⁶ City of Atlanta, "DPR EDT", at: <https://activate-atl.com/dpr-edt.html>

²⁷ City of Atlanta Parks, Activate ATL, "Comprehensive Parks and Recreation Master Plan", at: https://activate-atl.com/pdf/Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf

²⁸ United States Census Bureau, "American Community Survey 5-Years Estimates", at: <https://data.census.gov/cedsci/table?q=B19083%3A%20GINI%20INDEX%20OF%20INCOME%20INEQUALITY&tid=ACSDT5Y2020.B19083>

²⁹ City of Atlanta Parks, Activate ATL, "Comprehensive Parks and Recreation Master Plan", at: https://activate-atl.com/pdf/Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf

³⁰ Trust for Public Land, "Parks and an Equitable Recovery", at: <https://www.tpl.org/parks-and-an-equitable-recovery-parkscore-report>

³¹ City of Atlanta Parks, Activate ATL, "Comprehensive Parks and Recreation Master Plan", at: https://activate-atl.com/pdf/Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf

³² Ibid.

³³ City of Atlanta, "One Atlanta: Economic Mobility, Recovery and Resiliency Plan", at: <https://www.atlantaga.gov/Home/ShowDocument?id=47295>

³⁴ City of Atlanta Parks, Activate ATL, Comprehensive Parks and Recreation Master Plan, at: https://activate-atl.com/pdf/Activate_ATL_FullDocument_FINAL_Pages_WEB.pdf

³⁵ Ibid.

³⁶ City of Atlanta Parks, "About", at: <https://activate-atl.com/about.html>

wider socio-economic issues, such as blight, safety and crime and homelessness, all of which were indicated as common issues by residents in a survey for the Activate ATL master plan.³⁷ In an effort to allocate investments in parks and recreation more equitably, the City developed the Parks and Recreation Equity Data Tool, which assesses more than 300 sites to discover which parks, recreation centres and neighbourhoods are in greatest need of investment, particularly where inequalities and disparities are high, prioritizing these locations for investment.³⁸

Based on the above context, Sustainalytics considers that projects under this use of proceeds category are expected to contribute to addressing socio-economic challenges in Atlanta and have a positive impact in line with the City’s long-term development plan.

Alignment with/contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bonds issued in accordance with the City of Atlanta Social Bond Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Affordable Basic Infrastructure and Access to Essential Services	11. Sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons 11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
Socio-economic Advancement and Empowerment	10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Conclusion

The City of Atlanta has developed the City of Atlanta Social Bond Framework pursuant to which it intends to issue the Series 2022A-1 Social Bonds and use the proceeds to finance social projects related to parks and recreation, public art, transport and trails, and public safety facilities projects, under the categories Affordable Basic Infrastructure, Access to Essential Services, and Socio-economic Advancement and Empowerment. Sustainalytics considers that the projects funded by the social bonds’ proceeds are expected to provide positive social impact.

The City of Atlanta Social Bond 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 Framework is aligned with the overall sustainability strategy of the City of Atlanta and that the social use of proceeds are expected to contribute to the advancement of the UN Sustainable Development Goals SDG 10 and 11. Additionally, Sustainalytics is of the opinion that City of Atlanta has sufficient measures to identify, manage and mitigate social and environmental risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that City of Atlanta is well positioned to issue the Series 2022A-1 Social Bonds and that the Framework is robust, transparent and in alignment with the four core components of the Social Bond Principles 2021.

³⁷ City of Atlanta Parks, “About”, at: <https://activate-atl.com/about.html>

³⁸ City of Atlanta, “City of Atlanta Parks and Recreation Equity Data Tool”, at: <https://activate-atl.com/dpr-edt.html>

Appendix

Appendix 1: Social Bond/ Social Bond Programme -External Review Form

Section 1. Basic Information

Issuer name:	City of Atlanta
Social Bond ISIN or Issuer Social Bond Framework Name, if applicable:	City of Atlanta Social Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	October 14, 2022
Publication date of review publication:	

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 SBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> 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, Affordable Basic Infrastructure, Access to Essential Services, and Socio-economic Advancement and Empowerment are aligned with those recognized by the Social Bond Principles 2021 that seek to achieve positive socio-economic outcomes for target populations. Sustainalytics considers that investments in the eligible categories will lead to positive social impacts and advance the UN Sustainable Development Goals (SDGs), specifically SDG 10 and 11.

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input checked="" type="checkbox"/> Socio-economic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The City of Atlanta's internal process for evaluating and selecting projects is overseen by the City of Atlanta's Council in coordination with the Office of Sustainability and Resiliency and the operating departments. The City has adopted internal policies and processes to address environmental and social risks associated with the projects financed. Sustainalytics considers the project selection process in line with market practice

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment

Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The City of Atlanta's Office of Treasury, Debt and Investments will oversee the management and allocation of proceeds to eligible projects. The City intends to fully allocate proceeds within 5 years of the issuance. Pending full allocation, net proceeds will be temporarily held in in permitted investments defined in the Framework. This 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 future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

The City of Atlanta intends to report on allocation of proceeds on its investor relations website on an annual basis until full allocation. The 2022A-1 Social Bond Report will include disclosures on the net proceeds generated from social financing and on the proceeds allocated to each eligible social project. In addition, the City of Atlanta's 2022A-1 Social Bond Report will include certain social impact metrics. Sustainalytics views the City of Atlanta'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):

Information reported:

- Allocated amounts Social Bond financed share of total investment
- 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):

Information reported (expected or ex-post):

- Number of beneficiaries Target populations
- Other ESG indicators (*please specify*):

Quantitative and qualitative social impact metrics

Frequency:

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

Means of Disclosure

- Information published in financial report Information published in sustainability report
- Information published in ad hoc documents Other (please specify):
- 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.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

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 recognised 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 specialised 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

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

