

Second-Party Opinion

City of Ottawa Sustainable Debenture Framework



Evaluation Summary

Sustainalytics is of the opinion that the City of Ottawa Sustainable Debenture Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories¹ for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 8, 9, 11, 12, 13 and 15.



PROJECT EVALUATION AND SELECTION The City of Ottawa’s Finance and Corporate Services Department will be responsible for evaluating and selecting projects in accordance with the eligibility criteria outlined in the Framework. The department is also responsible for identifying and managing environmental and social risks associated the projects financed and for ensuring compliance with all applicable laws and regulations as well as the City of Ottawa’s policies. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The City of Ottawa’s Treasury department, in collaboration with the operating departments, will oversee the allocation and tracking of proceeds, in accordance with a Schedule A to the Debenture By-Law, using an internal tracking system. The City of Ottawa intends to fully allocate net proceeds immediately following each issuance under the Framework. This is in line with market practice.



REPORTING The City of Ottawa will report on the allocation and impact of proceeds in the City’s annual information report, which will be published on its website on an annual basis. Allocation reporting will include funds raised from each green, social, or sustainability bond, an overview of the allocated funds to each eligible project categories, an amount of unallocated proceeds, debenture by-laws with accompanying schedule A outlining the specific projects funded by the debenture, a summary of the City’s sustainable debenture of unspent debenture proceeds, project updates and status reports for eligible projects when possible. The City of Ottawa intends to report on relevant key performance indicators. Sustainalytics views the reporting commitments to be in line with market practice.

Evaluation date	February 26, 2024 ²
Issuer Location	Ottawa, Canada

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Disclaimer	15

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¹ Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Clean Transportation, Sustainable Water Management, Environmentally Sustainable Management of Natural Resources and Land Use, Climate Change Adaptation and Resilience, Green Buildings, Affordable Basic Infrastructure, Access to Essential Services, Social and Affordable Housing and Socioeconomic Advancement and Empowerment.

² This document updates the Second-Party Opinion originally provided by Sustainalytics in October 2017.

Introduction

Ottawa is the national capital of Canada and the fourth largest city in the country, spanning a total area of 2,790 km² and having an estimated population of 1.1 million.^{3,4}

The City of Ottawa (the “City” or the “Issuer”) has developed the City of Ottawa Sustainable Debenture Framework dated February 2024 (the “Framework”) under which it intends to issue green, social and sustainability debentures and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to help the City transition to a low-carbon economy, support environmental protection, increase access to social services and advance socioeconomic development. The Framework defines eligibility criteria in eleven areas:

1. Renewable Energy
2. Energy Efficiency
3. Pollution Prevention and Control
4. Clean Transportation
5. Sustainable Water Management
6. Environmentally Sustainable Management of Natural Resources and Land Use
7. Climate Change Adaptation and Resilience
8. Green Buildings
9. Affordable Basic Infrastructure
10. Access to Essential Services
11. Social and Affordable Housing
12. Socioeconomic Advancement and Empowerment

Ottawa engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), and Social Bond Principles 2023 (SBP).⁵ The Framework has been published in a separate document.⁶

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with the 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 Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, 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 1.15 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 Ottawa’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 Framework. Ottawa representatives have confirmed (1) they understand it is the sole responsibility of Ottawa to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all

³ McGillivray, B. (2023), “Ottawa”, Britannica, at: <https://www.britannica.com/place/Ottawa>

⁴ City of Ottawa, “Current population and household estimates”, (2023), at: <https://ottawa.ca/en/living-ottawa/statistics-and-demographics/current-population-and-household-estimates#section-29b9341b-b349-49d2-98dc-5e384fb00c53>

⁵ The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

⁶ The City of Ottawa Sustainable Debenture Framework is available on City of Ottawa’s website at: <https://ottawa.ca/en/business/research-and-data/investor-relations/green-bonds-city-ottawa>

⁷ 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.

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 Ottawa.

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 measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Ottawa is encouraged to update the Framework, if necessary, and seek an update to the 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 Ottawa has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the City of Ottawa Sustainable Debenture Framework

Sustainalytics is of the opinion that the City of Ottawa Sustainable Debenture Framework is credible, impactful and aligns with the four core components of the GBP and SBP. Sustainalytics highlights the following elements of Ottawa's Sustainability Bond Framework:

Use of Proceeds:

- The eligible categories, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Clean Transportation, Sustainable Water Management, Environmentally Sustainable Management of Natural Resources and Land Use, Climate Change Adaptation and Resilience, Green Buildings, Access to Essential Services, Social and Affordable Housing and Socioeconomic Advancement and Empowerment, are aligned with those recognized by the GBP and SBP.
- The City of Ottawa has defined a look-back period of three years for refinancing, which Sustainalytics considers to be in line with market practice.
- Under Renewable Energy, City of Ottawa intends to invest in the generation, transmission, and distribution of wind, green renewable natural gas⁸, hydrogen⁹, solar, geothermal¹⁰, wastewater energy transfer, waste biomass and hydropower energy.
 - Biomass projects are limited to those using waste as feedstock and will have an emissions intensity below 100 gCO₂/kWh.
 - Hydropower facilities which are operational prior to 2020 will have a power density of 5W/m² and a life-cycle emissions intensity threshold of 100 gCO₂e/kWh. Facilities which are operational during or after 2020 will have a power density of 10W/m² and life cycle emissions intensity threshold of 50 gCO₂e/kWh. The City of Ottawa has confirmed to Sustainalytics that for any new hydropower plant, an environmental and

⁸ The City of Ottawa has confirmed to Sustainalytics that this will include organic waste diversion from landfill and that animal by-products will be excluded.

⁹ The City of Ottawa has communicated to Sustainalytics that electrolysis for the production of hydrogen will utilize only renewable energy, and that CO₂ will not be sourced from fossil fuel operations.

¹⁰ Geothermal facilities with direct emissions less than 100 gCO₂/kWh.

- social risk assessment will be carried out by a credible body to ensure that no significant controversy or risk surrounds the project.
- Sustainalytics views the establishment of direct emission thresholds as strengthening the Framework and considers this category to be in line with market practice.
- Within Energy Efficiency category, City of Ottawa intends to finance construction, development, acquisition and maintenance of products and systems that will: i) enhance energy efficiency; ii) reduce energy consumption; and iii) mitigate GHG emissions intensity by at least 30% or more over initial baseline. The expenditures may include any of the following projects:
 - Energy efficient heating and cooling systems, lighting, technologies and equipment¹¹
 - Energy storage, energy management and reduction systems such as smart grids; demand response units and associated infrastructure that enables efficient monitoring transmission and distribution of energy; and facilitation of adding renewable electricity to the grid.
 - Building energy retrofit projects and building control optimization projects that reduce energy consumption or increase energy efficiency. The City of Ottawa has communicated to Sustainalytics that the energy retrofits will include those related to residential, commercial and City-owned buildings, including private sector.
 - Sustainalytics considers the investments under this category to be in line with the market practice.
 - The Pollution Prevention and Control category includes investments in:
 - Waste management projects that aim to prevent, divert, reduce and recycle waste. The City of Ottawa has communicated to Sustainalytics that waste management activities will support source segregation of waste.
 - GHG emissions reduction and control through landfill gas capture systems such as the landfill gas capture system at the Trail Road Waste Facility.
 - Sustainalytics notes that the City of Ottawa will finance a landfill gas capture system at the Trail Road Waste Facility under the Framework, which is an operational landfill. The system is estimated to operate at a gas capture efficiency rate of approximately 89%. Landfill gas capture for energy generation from closed or decommissioned landfills at a high level of gas capture efficiency (i.e. above 75%) is viewed as a key waste management strategy that contributes to reduced methane emissions. Nevertheless, Sustainalytics believes that financing gas capture from operational landfills may prolong the lifespan of active landfills leading to a lock-in of the technology which does not incentivize a shift to waste recovery or recycling. Therefore, Sustainalytics considers financing projects at operational landfills to be a deviation from market practice. Sustainalytics further acknowledges that proceeds allocated to the financing of gas capture projects under the Framework will represent less than 5% of net proceeds.
 - The City of Ottawa has confirmed that gas flaring activities will not be financed under the Framework.
 - Collection, treatment, recycle, reuse and processing of i) emissions from landfill, hazardous waste and contaminated soil, and ii) recyclables, compost and household hazardous waste.^{12,13}
 - Regarding waste and emissions collection, the City of Ottawa has confirmed that financed vehicles will be limited to those that comply with the Clean Transportation criteria of the Framework.
 - The City has confirmed that robust waste management processes will be in place to mitigate environmental risks associated with projects involving hazardous waste recovery, processing and treatment, including those involving e-waste, and that such activities will only be carried out to support recycling and recovery. The City has also confirmed to Sustainalytics that the disposal of such waste streams will not be financed.

¹¹ The City of Ottawa has confirmed to Sustainalytics that heating and cooling systems will not be powered by fossil fuel.

¹² The City of Ottawa has confirmed to Sustainalytics that financed soil remediation activities will not be related to contamination that has been directly caused by the City of Ottawa's own activities.

¹³ Financed recycling activities will exclude chemical recycling processes.

- Under Clean Transportation, the City may finance or refinance low-carbon transportation assets and associated infrastructure, including:
 - Zero direct emissions, hydrogen or electric vehicles including passenger vehicles, public transit, bus fleet, light metro transit system and supporting infrastructure.
 - Cycling and infrastructure for pedestrians.
 - Hydrogen fuelling infrastructure and electric charging stations.
 - The City of Ottawa has confirmed to Sustainalytics that financing of new construction and existing road infrastructure retrofits, parking facilities and fossil fuelling stations and assets that facilitate the use of fossil fuel powered transport will be excluded.
 - Sustainalytics views this category to be aligned with market expectation.
- Under Sustainable Water Management, the City of Ottawa may finance the construction, development, acquisition and maintenance of infrastructure for clean water and wastewater treatment, management and efficiency improvements; and drainage, collection and management systems for flood mitigation, including nature-based solutions for stormwater infrastructure.
 - The City has confirmed that all projects related to flooding mitigation will stormwater management will be accompanied by vulnerability assessments and climate adaptation plans.
- Under Environmentally Sustainable Management of Natural Resources and Land Use, the City intends to finance the construction, development, acquisition, management and maintenance of infrastructure for: i) conservation and restoration of forests, wetlands, watercourses and other natural habitats and landscapes; and ii) projects that support, protect or restore biological diversity in urban areas such as green roofs and parks.
 - Sustainalytics acknowledges the Issuer's forest management plan and encourages the City to integrate certified sustainable management plans into all of its forestry management activities.¹⁴
- Under Climate Change Adaptation and Resilience, the City may finance the construction, development, acquisition, and maintenance of infrastructure for mitigating the physical impacts of climate change and building resilience to extreme weather events, such as high winds, flooding, extreme temperatures, and ice storms. This may include: i) climate risk information and communication systems, risk preparedness assessment and monitoring and climate and weather mapping; ii) community outreach and capacity building; and iii) distributed energy generation, storage and backup power systems.
 - The City has confirmed that all projects related to climate change adaption and resilience will be supported by vulnerability assessments and climate adaptation plans.
 - The City has also confirmed that any distributed power generation systems will align with the criteria under the Renewable Energy category of the Framework.
- Under Green Buildings, the Issuer may finance the construction, development, acquisition and maintenance of buildings that have received, or are expect to receive based on their design, construction and operation plans, certification according to the following third party verified building standards:
 - LEED Gold or Platinum
 - BOMA BEST Gold or Platinum
 - ENERGY STAR (score higher than 85)
 - Built Green 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 aligning with the criteria set out in tier 2 of the City's High Performance Development Standard.
 - Sustainalytics views these certifications to be credible and aligned with market expectation.

¹⁴ City of Ottawa, "Putting Down Roots for the Future – City of Ottawa Urban Forest Management Plan 2018-2037" (2017), at: https://documents.ottawa.ca/sites/documents/files/final_ufmp_en.pdf

- Under the Affordable Basic Infrastructure category, the City of Ottawa may finance or refinance facilities, services, systems and equipment that enhances the affordability of basic municipal infrastructure. Projects include:
 - Safe, affordable and universal accessibility improvements to transportation infrastructure, such as pedestrian crossovers, audible traffic and crosswalk signals and improving accessibility for public transportation.
 - Sustainable water and wastewater management projects for the public including the provision of clean and sustainable drinking water, including for those in rural areas, storm water management and sustainable urban drainage systems.
 - Sustainalytics views these activities to be aligned with expectation for social financing.
- Under the Access to Essential Services category, the City of Ottawa may finance or refinance publicly available, free or subsidized assets and services, including: i) education facilities including public universities; ii) healthcare facilities including public hospitals, medical addiction facilities and programmes and homes or health facilities for the general public; iii) essential health and social support programme made available to people with low-income and limited assets;¹⁵ iv) care centres including EarlyON childcare centres,¹⁶ recreation and community centres, seniors' centres and support for organizations that provide similar services to newcomers, homeless and survivors of domestic abuse; and v) a residential care (domiciliary hostel) programme aimed at providing financial support for housing for adults.¹⁷
 - Sustainalytics acknowledges the intent of the City to make such essential services widely accessible to the public and recognizes that the subsidization levels for each programme may vary, potentially impacting the accessibility of certain services to low-income segments of the population. Sustainalytics nonetheless believes that expenditures under this category can be expected to enhance access to the financed essential services and considers these programmes to be socially impactful.
- Under the Social and Affordable Housing category, the City of Ottawa may finance or refinance the construction, development, purchase, and maintenance of new or existing buildings including housing, no-cost housing solutions such as homeless shelters and transition housing for homeless families and individuals and the delivery of federal, provincial and municipal affordable housing programmes.¹⁸
 - Federal, provincial and municipal programmes include Action Ottawa,¹⁹ the Ontario Renovates Program,²⁰ Homeownership Down Payment Assistance and the provision of rent supplement or housing allowance programmes for low-income individuals and families, such as the Housing First Program,²¹ Rent-Geared-to Income Assistance²² and Below Market Rent Program²³ that aim to increase the supply of affordable housing for low-income households²⁴ or vulnerable groups.
 - Eligible affordable rental property financing will be for only those units complying with the established eligibility criteria: i) for low-income households, with rents capped at 30% of household income,

¹⁵ The City of Ottawa defines low-income per Statistics Canada low-income cut offs (LICO). LICOs are thresholds, expressed as a percentage, below which a family will likely devote a larger share of its income on necessities, such as food, shelters and clothing, compared to the average family. Financial eligibility using limited assets is defined by the City as a family's net income and assets cannot be greater than the allowable amounts for the households. As of 2021, the maximum income levels includes a minimum family size of one person with a monthly net income of CAD 1,900.08 to seven persons or more with a monthly net income of CAD 4,982.83. The range for maximum asset level includes a minimum number of dependents of zero, with an allowable amount of CAD 7,500 between the applicant and their spouse or common-law partner and a maximum number of dependents of seven, with an allowable amount of CAD 11,000. City of Ottawa, "Essential Health and Social Supports (EHSS)", at: <https://ottawa.ca/en/family-and-social-services/financial-and-social-assistance/apply-financial-assistance/essential-health-and-social-supports-ehss>

¹⁶ Eligible families include families with children from 0-6 years of age.

¹⁷ Housing for adults are defined as those who cannot live on their own and require assistance with daily living activities such as those living with psychiatric, developmental, physical illnesses and other disabilities.

¹⁸ Projects will meet the affordable housing definitions set forth in the City's 10-year Housing and Homelessness Plan 2020-2030.

¹⁹ Ottawa, "Action Ottawa: Affordable Housing Initiative", (2003), at: <https://app06.ottawa.ca/calendar/ottawa/citycouncil/hrssc/2003/09-04/ACS2003-PEO-HOU-0004%20Attachment%201.htm>

²⁰ Ottawa, "Ontario Renovates Program", at: <https://ottawa.ca/en/family-and-social-services/housing/ontario-renovates-program#>

²¹ Ottawa, "Housing First", at: https://documents.ottawa.ca/sites/documents/files/Housing%20First%20Pamphlet_EN.pdf

Ottawa, "10-Year Housing and Homelessness Plan 2020-2030", at: <https://documents.ottawa.ca/sites/documents/files/housingplan20202030.pdf>

²² Ottawa, "Rent-Geared-to-Income Assistance", at: <https://ottawa.ca/en/family-and-social-services/housing/subsidized-housing/rent-geared-income-assistance>

²³ Ottawa, "Below Market Rent Program", at: <https://ottawa.ca/en/family-and-social-services/housing/subsidized-housing/below-market-rent-program>

²⁴ Low-income households are defined as the following: i) one bedroom at CAD 50,000; ii) two bedroom at CAD 60,000; iii) three bedroom at CAD 72,000; and iv) four bedroom at CAD 92,500. Social Housing Registry of Ottawa, "The Process", at: <https://housingregistry.ca/the-process/>

- per the Canada Mortgage and Housing Corporation (CMHC)²⁵; or ii) rents having a weighted average of 80% of Average Market Rent (AMR) per CMHC, with no unit exceeding 100% of AMR.²⁶
 - Such criteria applies to the Action Ottawa, Rent-Geared-to-Income Assistance and Below Market Rent Programs.
- Under the Ontario Renovates programme, forgivable loans and grants for home repair and renovations, including accessibility modifications, are available for individuals in accordance with the eligibility criteria outlined by the programme, which targets seniors, people with disabilities, care-givers, and low-income individuals.
- Under the Homeownership Down Payment Assistance programme, the City has communicated to Sustainalytics that the eligible target group will include: i) renter households purchasing a sole and principal residence in a participating Service Manager Area; and ii) have a household income at or below the 60th percentile income level for the Service Manager area or the province, whichever is lower.^{27,28}
- Under the Housing First programme, individuals experiencing homelessness are provided with housing assistance in conjunction with other social support services, in accordance with their individual needs.
- Sustainalytics views the above-mentioned programmes as aligned with what it considers good practice for social financing.
- Under the Socioeconomic Advancement and Empowerment category, the City of Ottawa may finance or refinance publicly available, free or subsidized services including:
 - Employment and social supports for youth, new immigrants, social assistance recipients, low-income individuals²⁹ and other underserved populations. The City has communicated that it will finance the development, implementation and assets for its Community Safety and Well-Being Plan,³⁰ and the Hire Immigrants Ottawa initiative,³¹ as a part of its support activities.
 - Provision of free and equitable access to public library services. Sustainalytics notes that services will be available to all regardless of ability to pay.
 - Support for micro-, small- and medium-sized enterprises where at least one of the owners is from a historically underrepresented group and has more than a 50% share in ownership. MSMEs are defined as those that have fewer than 100 and 100 to 499 employees respectively. Targeted historically underrepresented groups include women, black, Indigenous, people of colour and persons with disabilities.
 - Sustainalytics notes that, through the overarching policies governing the Framework, the City of Ottawa will exclude financing for MSMEs viewed to be involved in negative impact activities.

²⁵ CMHC, "Canada – Household Income – Average and Median (\$)", at: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableMatchingCriteria?GeographyType=Country&GeographyId=1&CategoryLevel1=Population%2C%20Households%20and%20Housing%20Stock&CategoryLevel2=Household%20Income&ColumnField=HouseholdIncomeRange&RowField=Province&SearchTags%5B0%5D.Key=Households&SearchTags%5B0%5D.Value=Number&SearchTags%5B1%5D.Key=Statistics&SearchTags%5B1%5D.Value=AverageAndMedian>

²⁶ Sustainalytics notes that AMRs are published annually by CMHC in the Rental Market Report. "Weighted average" of AMR is used by the City of Ottawa where the affordable housing project locations do not fall directly within the geographic boundaries used by CMHC: <https://www.cmhc-schl.gc.ca/-/media/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2022-en.ashx>

²⁷ The City has communicated that Service Managers, responsible for social housing funding, are encouraged to address groups identified through their local Housing and Homelessness Plan and give consideration to households residing in social housing but whose incomes have increased and therefore, are paying the market rental rate. Ontario, "Taking action – narrative elements for each Ontario-delivered initiative", at: <https://www.ontario.ca/document/ontarios-second-action-plan-under-national-housing-strategy-2022-23/taking-action>

²⁸ The specific areas of financial support offered via the downpayment assistant programme can be found in the Canada-Ontario Community Housing Initiative (COCHI) & Ontario Priorities Housing Initiative (OPHI) Program Guidelines:

https://www.msdsb.net/images/ADMIN/correspondence/2019/MMAH_COCHI_OPHI_Guidelines_En.pdf

²⁹ Low-income individuals are defined as those noted in the Access to Essential Services category above.

³⁰ The Plan addresses issues related to poverty, unemployment, inadequate housing, gender-based violence, systemic discrimination, racism and marginalization. The Plan defines the City's priorities and action items associated with the issues. City of Ottawa, "Community Safety and Well-Being Plan", at: <https://ottawa.ca/en/family-and-social-services/community-safety-and-well-being-plan#section-2bcb8c3c-5467-46a5-8b41-699dd7035587>

³¹ Hire Immigrants Ottawa is an initiative that connects employers to skilled immigrants. It includes the development of working groups, networking capacity building, raising public awareness. Workshops on job training, counselling and language proficiency are also held for immigrants seeking employment. Hire Immigrants Ottawa, "The HIO Initiative", at: <https://www.hireimmigrantsottawa.ca/about-us/initiative/>

- Shelter homes, economic support and counselling for gender-based violence survivors.
- Anti-racism projects including capacity building of service providers, education campaign, community houses and skill development for racialized communities.
- Sustainalytics acknowledges the intent of the City to make such socioeconomic empowerment programmes widely accessible to the public and recognizes that the subsidization levels for each programme may vary, potentially impacting the accessibility of certain services to low-income segments of the population. Sustainalytics nonetheless believes that expenditures under this category can be expected to enhance access to the financed services and considers these programmes to be socially impactful.

Project Evaluation and Selection:

- The City's Finance and Corporate Services Department (the "FCSD"), along with the Planning, Real Estate and Economic Development, Infrastructure and Water Services, Community and Social Services, Public Works, Transit Services, Legal and other departments, will be responsible for evaluating and selecting projects in accordance with the eligibility criteria outlined in the Framework.
- The FCSD is responsible for identifying and managing environmental and social risks associated with the projects financed and ensuring compliance with all applicable laws and regulations and the City's policies.
- Based on the defined process to identify and mitigate environmental and social risks associated with the financed projects, Sustainalytics considers the evaluation and selection process to be in line with market practice.

Management of Proceeds:

- The City has communicated to Sustainalytics that the Treasury department, in collaboration with the operating departments, will oversee the allocation and tracking of proceeds, in accordance with a Schedule A to the Debenture By-Law, using an internal tracking system.
- The City intends to fully allocate net proceeds immediately after the issuance.
- Based on the use of an internal tracking system and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.

Reporting:

- The City of Ottawa will report on the allocation and impact of proceeds in the City's annual information report, which will be published on its website on an annual basis.
- Allocation reporting will include funds raised from each green, social, or sustainability bond, an overview of the allocated funds to each eligible project categories, an amount of unallocated proceeds, debenture by-laws with accompanying schedule A outlining the specific projects funded by the debenture, a summary of any unspent debenture proceeds if applicable, project updates and status reports for eligible projects when possible.
- Impact reporting is intended to include key performance indicators (KPIs) such as GHG emissions reduced or avoided (tCO₂e), amount of waste diverted from landfill, area of natural assets that is conserved, protected or restored, buildings, infrastructure and units built or upgraded and number of vulnerable people with access to safe, affordable and sustainable housing.
- Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the City of Ottawa Sustainable Debenture Framework aligns with the four core components of the GBP and SBP.

Section 2: Sustainability Mandate of the City of Ottawa

Contribution to City of Ottawa's sustainability mandate

Sustainalytics is of the opinion that the City of Ottawa demonstrates a commitment to sustainability through various plans, strategies and programmes.³² The City approved its Climate Change Master Plan (the "Plan") in January 2020, which is an overarching framework to transition Ottawa into a "clean, renewable and resilient city" by 2050.³³

According to the Plan, the City of Ottawa's GHG inventories are divided into: i) community inventory comprising emissions generated from buildings, transportation, waste and agriculture; and ii) corporate inventory, comprising emissions from facilities, fleet, solid waste and wastewater treatment.³⁴ Under the Plan, the City of Ottawa aims to reduce GHG emissions from the community by 43% by 2025 from a 2012 baseline.³⁵ It has also set long term targets to reduce these emissions by 96% and 100% from a 2012 baseline by 2040 and 2050 respectively.³⁶ Furthermore, from the City of Ottawa's operations, the Issuer intends to reduce emissions by 30% by 2025 and 100% by 2040 from a 2012 baseline.³⁷ To achieve GHG targets, the City has identified five key sectors to implement necessary actions: i) Land Use and Growth Management; ii) Buildings; iii) Electricity; iv) Transportation; and v) Waste and Renewable Natural Gas.³⁸

For Land Use and Growth Management, the City has established its "New Official Plan",³⁹ which focuses on balancing growth management by protecting lands that have agricultural importance and mitigating the effects of growth on land consumption.⁴⁰

For buildings, the City of Ottawa has developed a Green Building Policy which expects all newly constructed buildings to incorporate energy efficient features and requires them to be designed and delivered in accordance with the performance level of the LEED green building rating system.⁴¹ In 2021, the City approved the Better Buildings Ottawa strategy to encourage GHG reduction retrofits in industrial, commercial and institutional buildings.⁴² In the same year, the City launched the Better Homes Ottawa Loan Program through which it provided CAD 8 million zero-interest loans to support the cost of energy efficient retrofits for homeowners.⁴³ The City had also developed "Energy Conservation and Demand Management Plan (CDMP) for 2019-2022" to improve its infrastructure and facilities by optimizing energy usage and reducing the environmental footprint.⁴⁴ Between 2014 to 2018, the term of the first CDMP, the City invested more than CAD 1 million per year on energy conservation projects.⁴⁵

For clean transportation, the City of Ottawa has set a target to achieve zero emissions from its bus fleet by 2036. To achieve this target, Ottawa's City Council (the "Council") has approved a plan to purchase Zero-Emission Buses (ZEBs) in 2022. In line with this target, the Canada Infrastructure Bank invested CAD 380 million to finance more than 400 ZEBs by 2027.^{46,47}

³² City of Ottawa, "Environmental policy and planning", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/environmental-policy-and-planning#section-675e42b6-4b78-4204-b1c9-332f438aeab7>

³³ City of Ottawa, "Climate Change Master Plan", (2020), at: https://documents.ottawa.ca/sites/documents/files/climate_change_mplan_en.pdf

³⁴ City of Ottawa, "Climate Change and Energy – Ottawa Greenhouse Gas Emissions", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/climate-change-and-energy#section-006b6237-f7ad-41e8-b3b6-293f9947a9b5>

³⁵ City of Ottawa, "Climate Change Master Plan", (2020), p.9, at: https://documents.ottawa.ca/sites/documents/files/climate_change_mplan_en.pdf

³⁶ City of Ottawa, "Climate Change Master Plan", (2020), p.9, at: https://documents.ottawa.ca/sites/documents/files/climate_change_mplan_en.pdf

³⁷ City of Ottawa, "Climate Change Master Plan", (2020), p.10, at: https://documents.ottawa.ca/sites/documents/files/climate_change_mplan_en.pdf

³⁸ City of Ottawa, "Climate Change and Master Plan Progress Report", p.6, (2023), at:

https://documents.ottawa.ca/sites/documents/files/CCMPPProgressReport2023_en.pdf

https://documents.ottawa.ca/sites/documents/files/CCMPPProgressReport2023_en.pdf

³⁹ City of Ottawa, "The New Official Plan", at: <https://engage.ottawa.ca/the-new-official-plan>

⁴⁰ City of Ottawa, "Climate Change and Master Plan Progress Report", p.8, (2023), at:

https://documents.ottawa.ca/sites/documents/files/CCMPPProgressReport2023_en.pdf

⁴¹ City of Ottawa, "Green Building Policy for the Construction of Corporate Buildings", at: <https://ottawa.ca/en/city-hall/city-manager-administration-and-policies/policies-and-administrative-structure/administrative-policies#section-973b4b6e-b28d-43a1-b8d5-433e380e16f3>

⁴² City of Ottawa, "Better Buildings Ottawa", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/climate-change-and-energy/better-buildings-ottawa#section-156b963b-fbe5-482a-b566-7d00013b00e8>

⁴³ City of Ottawa, "Better Homes Ottawa", at: <https://betterhomesottawa.ca/rebate-and-incentive-programs/better-homes-loan-program/>

⁴⁴ City of Ottawa, "Energy Conservation & Demand Management Plan 2019 – 2022", at:

https://documents.ottawa.ca/sites/documents/files/2019_Conservation_and_Demand_Management_Plan_en_0.pdf

⁴⁵ Ibid.

⁴⁶ OC Transpo, "OC Explained: Zero Emission Bus Project", (2023), at: <https://www.octranspo.com/en/news/article/oc-explained-zero-emission-bus-project/>

⁴⁷ Canada Infrastructure Bank, "Canada Infrastructure Bank and City of Ottawa achieve financial close on \$380 million investment toward OC Transpo zero-emission buses", (2022), at: <https://cib-bic.ca/en/medias/articles/canada-infrastructure-bank-and-city-of-ottawa-achieve-financial-close-on-380-million-investment-toward-oc-transpo-zero-emission-buses/>

For waste and renewable energy projects, the City is currently developing a Multi-Residential Waste Diversion strategy,⁴⁸ which is expected to support the Province of Ontario's target to achieve 50% waste reduction along with improving the recovery of food and organic waste by 2025.⁴⁹ The Province of Ontario has a goal to phase out food and organic waste from landfills by 2030.⁵⁰ Additionally, the City of Ottawa's Old Landfill Management Strategy allows stakeholders to assess information related to old landfill sites and to protect public health and the environment.⁵¹

To support the rehabilitation of wastewater, stormwater and drinking water infrastructure, the City received around CAD 69 million in 2017 from the Clean Water and Wastewater Fund from the Government of Canada and the Province of Ontario.^{52,53} The City has also developed the Water Environment Strategy to protect Ottawa's wetlands, groundwater and waterways.⁵⁴

The City has established a Strategic Plan for 2023 to 2026 focusing on providing: i) affordable housing; ii) reliable, safe and accessible mobility options; iii) green infrastructure and resiliency; and iv) a diversified and prosperous economy.⁵⁵

Sustainalytics is of the opinion that the Framework is aligned with the City of Ottawa's overall sustainability mandates and initiatives and will further the City's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues related to local community approval and stakeholder participation, worker health and safety, land use and biodiversity, emissions, effluents, and waste generated in construction and operations.

Sustainalytics is of the opinion that Ottawa is able to manage and/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 Ottawa to provide inputs on City's projects, programmes and services. The City also provides public engagement opportunities to the residents.⁵⁶ This includes the development of the City's New Official Plan in 2021 where residents provided feedback on 21 topics including climate change, water resources, urban design and housing.⁵⁷ Additionally, the City collaborated with Indigenous partners and stakeholders in the development of the City's Community Safety and Well-Being Plan.⁵⁸
- The City of Ottawa follows Ontario's Occupational Health and Safety Act which provides a legal framework on safe workplaces. It includes procedures for dealing with workplace hazards and implementing mandatory health and safety committees at the workplace.⁵⁹ Additionally, the City of Ottawa has implemented Ottawa's Occupational Health and Safety Management System (OHSMS) which provides a framework for its construction contractors to manage occupational health and safety risks at all City's project sites, including prevention of accidents and injuries.⁶⁰ The City has also implemented its Workplace Violence and Harassment policy to provide safe and healthy

⁴⁸ City of Ottawa, "Multi-Residential Waste Diversion Strategy", at: <https://engage.ottawa.ca/multi-residential-waste-diversion-strategy>

⁴⁹ City of Ottawa, "Multi-Residential Waste Diversion Strategy", at: <https://engage.ottawa.ca/multi-residential-waste-diversion-strategy>

⁵⁰ City of Ottawa, "Multi-Residential Waste Diversion Strategy", at: <https://engage.ottawa.ca/multi-residential-waste-diversion-strategy>

⁵¹ City of Ottawa, "Old Landfill Management Strategy" at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/environmental-policy-and-planning#section-486a628c-fe6c-468e-97a2-bffb3d5586e3>

⁵² City of Ottawa, "Clean Water and Wastewater Fund", at: https://documents.ottawa.ca/sites/documents/files/July2023_Stimulus_CWWF_en_ua.pdf

⁵³ DCN News Service, "Wastewater and stormwater infrastructure upgrades slated for Ontario communities", (2017), at: <https://canada.constructconnect.com/dcn/news/infrastructure/2017/05/wastewater-and-stormwater-infrastructure-upgrades-slated-for-ontario-communities-1024234w>

⁵⁴ City of Ottawa, "Protecting Ottawa's Waterways – Water Environment Strategy", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/protecting-ottawas-waterways#section-780c8de4-b904-4466-9e4d-f3960fd97177>

⁵⁵ City of Ottawa, "Strategic Plan 2023-2026", at: https://documents.ottawa.ca/sites/documents/files/StrategicPlan_2023-2026_EN.pdf

⁵⁶ City of Ottawa, "How we're engaging with you – Get involved", at: <https://ottawa.ca/en/city-hall/public-engagement/how-were-engaging-you#section-f450159f-f8fc-4d27-b385-48a01c2e9dbc>

⁵⁷ City of Ottawa, "Revised Draft New Official Plan One Pagers", at: https://engage.ottawa.ca/the-new-official-plan/news_feed/revised-draft-new-official-plan-one-pagers

⁵⁸ City of Ottawa, "Ottawa's Community Safety and Well-Being Plan 2021-2031", (2021), at: https://documents.ottawa.ca/sites/documents/files/cswb_plan_en_.pdf

⁵⁹ Ontario, "Occupational Health and Safety Act", (1990), at: <https://www.ontario.ca/laws/statute/90o01>

⁶⁰ Infrastructure Health and Safety Association, "Occupational Health and Safety Management System", (2020), at: <https://www.ihsa.ca/pdfs/news/ISTB-2020-01-EN.pdf>

workplace to its employees and to address any incidents related to workplace violence or harassment.⁶¹

- With regard to land use and biodiversity, the City has a wildlife strategy in place that focuses on wildlife-sensitive planning and management practices including public education and outreach.⁶² Additionally, the Ottawa City Council has also approved a Protocol for Wildlife Protection during construction in 2015 which serves as a guideline for planning projects or activities that can impact wildlife and wildlife habitat.⁶³
- In terms of risks related to emissions, waste and effluents, the City of Ottawa's Official Plan requires an environmental impact study (EIS) that includes providing the mitigation measures that will be used avoid negative impacts to natural heritage features or functions.⁶⁴ Additionally, projects that are undertaken by provincial and municipal agencies are subjected to the requirements of Ontario Environmental Assessment Act and some of the major projects are required to be in accordance with Canada's Federal Impact Assessment Act.⁶⁵

Based on these policies, standards and assessments, Sustainalytics is of the opinion that the City of Ottawa has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All 11 use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

Importance of Energy Efficient Infrastructure in Ottawa

In 2022, 13% of GHG emissions in Canada came from the buildings sector, making it the third-largest emitting sector after oil and gas, and transportation.⁶⁶ Canadian buildings have a relatively high energy intensity compared to other countries, mainly due to climatic conditions and a high standard of living.⁶⁷

For the City of Ottawa, existing buildings are the single largest source of GHG emissions according to 2020 GHG inventory data. Progress has been made in recent decades to improve the efficiency and GHG footprint of buildings, with the sector accounting for the largest percentage contribution to the City's GHG reduction targets since 2012. Nevertheless, buildings still account for 46% of the community's emissions.⁶⁸

To align with the Intergovernmental Panel on Climate Change's recommendations on limiting global warming to 1.5°C, Ottawa has developed its Climate Change Master Plan, setting short-, mid- and long-term targets to reduce community emissions by 100% by 2050.⁶⁹ As part of this plan and to achieve the City's 2050 targets, 95% of commercial, industrial and residential buildings must reduce energy use for heating and electricity by 70% and 30%, respectively, by 2040 from a 2016 baseline.⁷⁰

Based on the above, Sustainalytics is of the opinion that eligible projects financed under the Framework are expected to contribute positively toward the City of Ottawa's built environment and to the achievement of the City's local and regional GHG reduction targets.

⁶¹ City of Ottawa, "Workplace Violence and Harassment Policy", (2023), at: <https://ottawa.ca/en/city-hall/city-manager-administration-and-policies/policies-and-administrative-structure/administrative-policies#section-5c1e3634-f802-477e-b76b-72581afd1cbc>

⁶² City of Ottawa, "Ottawa Wildlife Strategy", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/wildlife-and-plants/wildlife-strategy/ottawa-wildlife-strategy#section-221e1e47-5178-440e-8802-1cb9a66ac11e>

⁶³ City of Ottawa, "Wildlife and Plants – Protocol for wildlife protection during construction", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/wildlife-and-plants#section-49ded7b6-44af-456f-a85e-e794e2f933eb>

⁶⁴ City of Ottawa, "Environmental Assessments", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/environmental-policy-and-planning#section-d2f671c2-4cda-453e-8218-f47f94022a00>

⁶⁵ City of Ottawa, "Development and the Environment", at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/environmental-policy-and-planning#section-d2f671c2-4cda-453e-8218-f47f94022a00>

⁶⁶ Government of Canada, "Green Buildings", at: <https://www.nrcan.gc.ca/energy-efficiency/green-buildings/24572>

⁶⁷ Ibid.

⁶⁸ City of Ottawa, "Results of the 2020 Community and Corporate Greenhouse Gas (GHG) Inventories" (2021), at: <https://ottawa.ca/en/living-ottawa/environment-conservation-and-climate/climate-change-and-energy/better-buildings-ottawa#section-739950a8-dce0-4ab5-8fea-006a986ca3e3>

⁶⁹ City of Ottawa, "Climate Change Master Plan" (2020), at: https://documents.ottawa.ca/sites/documents/files/climate_change_mplan_en.pdf

⁷⁰ City of Ottawa, "Better Buildings Ottawa – Why is building energy efficiency important?", at:

Importance of Affordable Housing in Ottawa

Access to housing is a key social concern in Canada with approximately 235,000 people experiencing homelessness per year.⁷¹ The Canadian housing environment is characterized by a lack of affordability and insufficient supply, particularly in larger urban centres.⁷² Among the G7 countries, Canada has the lowest average housing supply per capita. As of 2021, more than 10% of all Canadian households lived in “core housing need” – defined as living in an unsuitable, inadequate, or unaffordable dwelling and unable to afford alternative housing in their community.⁷³

Housing is a particular concern in Canada, with a 2023 report from the Canada Mortgage and Housing Corporation indicating that there are next to no affordable rental units available on the private market in Ottawa.^{74,75} Further, homeless shelters in the City serve more than 7,000 individuals per year and the number of homeless encampments in the City reached an all-time high in 2023 according to city data.^{76,77}

The City of Ottawa’s 10-Year Housing and Homelessness Plan 2020-2030 describes how the City will strive to address the systemic issue of affordable housing and shelter, outlining an approach to fund developments that support a range of projects and services along the housing continuum, from emergency shelters to market rentals and home ownership.⁷⁸ Given the above context, Sustainalytics expects the City of Ottawa’s financing of eligible projects under the Framework to improve access to affordable housing for target populations.

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 2030. The instruments issued under the City of Ottawa Sustainable Debenture Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Pollution Prevention and Control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Clean Transportation	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

⁷¹ Statistics Canada, “Characterizing people experiencing homelessness and trends in homelessness using population-level emergency department visit data in Ontario, Canada”, (2021), at: <https://www150.statcan.gc.ca/n1/pub/82-003-x/2021001/article/00002-eng.htm>

⁷² Ibid.

⁷³ Statistics Canada, “Core housing need in Canada”, at: <https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2022056-eng.htm>

⁷⁴ “Affordable rental units” in this context refers to units on the private market that do not meet CMHC’s affordability threshold for rents, which is < 30% of pre-tax income for renters in the lowest 20% of earners.

⁷⁵ CMHC, “New indicators raise more concerns on housing affordability and supply”, at: <https://www.cmhc-schl.gc.ca/blog/2023/new-indicators-raise-concerns-housing-affordability-supply>

⁷⁶ The Ottawa Mission, “Homelessness and Hunger in Ottawa”, at: <https://ottawamission.com/homelessness-in-ottawa/>

⁷⁷ CBC News, “Homeless encampments at ‘all-time high’ in Ottawa”, at: <https://www.cbc.ca/news/canada/ottawa/housing-homelessness-city-ottawa-encampment-tent-1.6970573#:~:text=The%20city%20has%20responded%20to,times%20more%20than%20in%202020.>

⁷⁸ City of Ottawa, “10-Year Housing and Homelessness Plan 2020-2030”, at: <https://documents.ottawa.ca/sites/documents/files/housingplan20202030.pdf>

		vulnerable situations, women, children, persons with disabilities and older persons
Sustainable Water Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Environmentally Sustainable Management of Natural Resources and Land Use	15. Life on Land	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
Climate Change Adaptation and Resilience	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Access to Essential Services	3. Ensure healthy lives and promote well-being for all at all ages 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
Social and Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Socioeconomic Advancement and Empowerment	8. Decent work and economic growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Conclusion

Ottawa has developed the City of Ottawa Sustainable Debenture Framework under which it may issue green, social and sustainability debentures and use the proceeds to finance existing and future projects that are expected to help the City transition to a low-carbon economy, support environmental protection, increase access to social services and advance socioeconomic development. Sustainalytics considers that the projects funded by the sustainability debenture proceeds are expected to provide positive environmental and social impact.

The City of Ottawa Sustainable Debenture Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on the allocation and impact. Sustainalytics considers that City of Ottawa Sustainable Debenture Framework is aligned with the overall sustainability mandate of the City of Ottawa and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 8, 9, 11, 12, 13 and 15. Additionally, Sustainalytics is of the opinion

that Ottawa has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that the City of Ottawa is well positioned to issue sustainability bonds and that that City of Ottawa Sustainable Debenture Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Social Bond Principles 2023.

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