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Sent via electronic form

Henry Shilling
Senior Vice President
Moody's Investors Service, Inc.
7 World Trade Center
at 250 Greenwich Street
New York, NY 10007
USA

Subject: Green Bond Assessment Methodology

Dear Mr. Shilling:

We have reviewed Moody's proposed Green Bond Assessment ("GBA") methodology and we thank you for the opportunity to provide our comments.

Addenda Capital Inc. is a privately owned investment management firm responsible for investing more than CAD 24 billion in assets for pension funds, insurance companies, foundations, endowment funds and third party mutual funds of major financial institutions.

General comments

We are very supportive of Moody's intention to support the green bond market in a manner that will address the needs of many stakeholders. In particular, an adequate GBA methodology could help reduce the need for investor due diligence on the environmental attributes of the assets associated with green bonds. We are encouraged by the stated intention of the GBA to, "assess the relative likelihood that bond proceeds will be invested to support environmentally beneficial projects..." We also agree with your definition of green bonds as stated on page 2 of your consultation document.

Use of proceeds

We also have some reservations about your proposed GBA. Our primary concern is that, in our opinion, only bonds where the entire bond proceeds (other than cash balances) are expected to be invested in projects or activities with specific climate or environmental sustainability purposes should qualify for a green bond assessment. We recommend removing the *Use of Proceeds* factor, as proposed, and replacing it with a pre-requisite that in order to receive a GBA, all bond proceeds (100%, other than cash balances) are expected to be invested in green projects.

We would also recommend that the determination of whether the use of proceeds qualifies be based upon the best available science and we would recommend against a direct reliance on the categories maintained by the Green Bond Principles as being sufficient indicators of a use of proceeds suitability.

Pre-issuance and post-issuance

We would also encourage you to consider clear pre-issuance and post-issuance criteria as contemplated in the Climate Bonds Standard (Version 2.0) and require assessment updates over the life of the bond. Any analysis of a green bond should include some pre-issuance criteria as well as post-issuance criteria in order to maintain an assessment. For example, plans for impact disclosure can be evaluated in advance but ongoing disclosure that is in accordance with those plans should be required in order to maintain an assessment. Having both pre-issuance and post-issuance criteria would necessitate the periodic assessment update contemplated in the proposed methodology.

The Organization criteria in your proposed methodology appears to be suitable for pre-issuance and post-issuance evaluation while the intentions related to the Disclosure on the Use of Proceeds, Management of Proceeds and Ongoing Reporting and Disclosure criteria are suitable for pre-issuance evaluation and the actual disclosure and practices can be evaluated post-issuance.

Regarding the Ongoing Reporting and Disclosure criteria, sub-factor 2, annual reporting expectations could be strengthened to specify what reporting is expected. Also, it is not clear what will be judged for sub-factor 5.

GBA applicability

We would also appreciate some clarity on how it is decided if a bond will receive a GBA. Can an issue only get a GBA if an issuer puts themselves

forward for a GBA? We recommend that the results of any GBA that is started be made public no matter the result, even if they do not get a GBA due to not meeting the Use of Proceeds pre-requisite proposed above.

In closing, thank you for soliciting comments on the proposed Green Bond Assessment methodology. If you would like to discuss our comments, please do not hesitate to contact me at +1 647-253-1029 or b.minns@addenda-capital.com.

Yours Sincerely,

A handwritten signature in black ink that reads "Brian Minns". The signature is written in a cursive, flowing style.

Brian Minns
Manager, Sustainable Investing