



UNIVERSITY OF TASMANIA : GREEN BOND

ANNUAL REVIEW 2024



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)



DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

The University of Tasmania ("UTAS" or "Issuer") established in 1890, stands as Australia's fourth-oldest university. Presently, their community boasts over 31,000 students, making them one of the state's largest employers with a workforce exceeding 2,900 full-time equivalent staff. Courses are provided throughout Tasmania, ensuring accessibility to education for all, fostering personal growth, and empowering individuals to contribute to their communities. Through their campuses in Hobart, Launceston, and Burnie, they extend teaching across the island, catering to a diverse student body.

In February 2022, UTAS issued the Green Bond Framework ("Framework") to allow them to raise and manage Green Bonds, which will be utilized to fund qualifying assets that promote positive environmental results, aligning with their strategy for environmental, social, and governance objectives, and demonstrating their commitment to sustainability.

In March 2022, UTAS issued dual tranche AUD \$350m Green Bond (collectively known as "Green Bond", which was the largest Green Bond deal completed by an Australian university at that time. The Green Bond included:

- Australian Medium-Term Note, issued on 24th March 2022 with maturity on 24th March 2032 (10 years) of value AUD \$280m
- Australian Medium-Term Note, issued on 24th March 2022 with maturity on 24th March 2042 (20 years) of value AUD \$70m

DNV Business Assurance Australia Pty Ltd (henceforth referred to as "DNV") conducted a Green Bond Eligibility Assessment on the bonds using the Green Bond Principles 2023 ("GBP").

UTAS will allocate the proceeds of the Green Bond exclusively to financing projects that utilize the Green Star Buildings tool credit for upfront embodied carbon. The eligible projects will fall under the following categories as described in the GBP:

- Green Buildings

DNV has been commissioned by UTAS to provide the Annual Review of the Green Bonds. Our criteria and information covered to achieve this is described under 'Work Undertaken' below. This Annual Review was conducted on the information provided by UTAS in March 2024. No assurance is provided regarding the financial performance of the Green Bond, the value of any investments in the Green Bond, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Green Bond has met the criteria established on the basis set out below.

The scope of this DNV opinion is limited to the latest version of the Green Bond Principles (GBP).

Responsibilities of the Management of UTAS and DNV

The management of the UTAS has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform UTAS's management and other interested stakeholders in the Framework as to whether the proposed Green Bonds are aligned with GBP. In our work we have relied on the information and the facts presented to us by UTAS. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and



cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by UTAS's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the UTAS-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of Green Bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and or social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of Green Bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that Green Bond should be tracked within the organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by UTAS in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

Initial Verification

- Creation of an UTAS-specific Protocol, adapted to the purpose of the Green Bond, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by UTAS on the Green Bond and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with UTAS management, and review of relevant documentation;



- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Annual Verification

- Assessment of documentary evidence provided by UTAS on the Green Bond and supplemented by a high-level desktop research, documentation review and interviews with key personnel from UTAS. These checks refer to current assessment best practices and standards methodology;
- Review of relevant documentation;
- Review of the nominated projects and assets as described in Schedule 2 as at the time of Annual Verification;
- Review and testing where possible of Reporting Data;

Documentation of findings for Annual Verification as detailed in this document. Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. Use of Proceeds

The Framework highlights that the proceeds generated from the issuance of Green Bond will be exclusively allocated to financing projects that utilize the Green Star Buildings tool credit for upfront embodied carbon. The upfront carbon emissions credit aims to reduce carbon emissions which inherent in the products and materials utilized during the construction of buildings. The use of net proceeds from the Green Bond will allow UTAS to target a 20% (or better) reduction in upfront carbon emissions for Eligible Assets.

These above-mentioned criteria for Eligible Assets do fall under the Green Buildings category as per GBP. DNV undertook an analysis of the associated projects to determine the eligibility as "Green" in line with the GBP. DNV concludes that the nominated assets are consistent with the categories outlined in the GBP and reasonably expected to deliver meaningful environmental benefits.

2. Process for Project Evaluation and Selection

The Framework describes the process for project evaluation and selection which will be sanctioned by the Transformation Working Group, incorporating submissions from the Transformation Operations Group, the Architecture Design Review Group, and Finance. The Terms of Reference created by UTAS demonstrates their dedication to the University's Sustainability Policy and is adopted as principles that serve as guiding benchmarks for the Transformation Working Group in their assessment and appraisal of eligible assets. The principles highlight the goal which includes reducing embodied carbon across UTAS's city campus. DNV concludes that the Framework appropriately describes the process of project evaluation and selection and is consistent with the criteria set out in the GBP.

3. Management of Proceeds

The Framework describes that each year, the Transformation Working Group, supported by Finance, will assess the allocation of Green Bond proceeds to eligible projects, ensuring alignment with GBP category of Green Buildings. Finance will undertake the responsibility of monitoring, overseeing, and tracking the net proceeds with the help of an Eligible Assets Register. DNV has reviewed the evidence presented and can confirm that the proceeds have been allocated in a manner consistent with the Framework and the GBP.

4. Reporting

UTAS intends to disclose Use of Proceeds and Green Bond Impact Report at least on an annual basis which will disclose the allocation of net proceeds from the Green Bond along with a list of eligible assets funded by the net proceeds. DNV can confirm that the Framework appropriately describes the procedures of reporting in line with GBP.



On the basis of the information provided by the UTAS and the work undertaken, it is DNV's opinion that the UTAS's Green Bond issued under this Framework meets the criteria established in the Protocol and is aligned with GBP.

For DNV Business Assurance Australia Pty Ltd

Sydney, Australia / 26th March 2024

A handwritten signature in black ink, appearing to read "DMC", written above a horizontal line.

David McCann
Team Leader

A handwritten signature in black ink, appearing to read "Parina", written above a horizontal line.

Parina Mehta
Technical Reviewer

Schedule 1. Nominated Assets: UTAS Green Bonds

The nominated assets as provided by UTAS as per Green Bond 31 December 2023 Report Documents and Workings.

Eligible Green Project Categories	Eligible Assets	Location	Completion Status and Year	Upfront Carbon Emissions Reduction (%)
Green Buildings category as per GBP	Library and Student Experience Building, Launceston	Northern Tasmania	Completed in 2022	24%
	River's Edge Building, Launceston	Northern Tasmania	Completed in 2023	32%
	"The Workshop", Architecture Building, Launceston	Northern Tasmania	Completed in 2023	77%
	Stone Building, Launceston	Northern Tasmania	Completed in 2023	62%
	Philip Smith Centre at Domain, Hobart	Southern Tasmania	Construction, to be completed in 2024	77%
	"The Shed", Willis Street Building, Launceston	Northern Tasmania	Construction, to be completed in 2024	33%
	Forestry and Timber Yards Building, Hobart	Southern Tasmania	Construction, to be completed in 2025	51%
	IMAS Taroona, Hobart	Southern Tasmania	Construction, to be completed in 2025	31%
	Completion of Southern Campus Transformation being progressed	Southern Tasmania	Planning, to be completed beyond 2025	TBC

Schedule 2. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings								
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitised Bond 	<p>The instrument issued under the Framework is a Green Use of Proceeds Bond where the proceeds from the Green Bond will be employed to achieve a minimum reduction of 20% in upfront carbon emissions. This will be accomplished through the adaptive reuse of existing buildings to avoid demolition and construction where appropriate as well as through the adoption of low embodied carbon construction practices in significant refurbishments and new construction projects.</p>								
1b	Sustainable Project Categories	<p>The cornerstone of Green Bond is the utilisation of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>The Green Bond issuance is related to Use of Proceeds falling under the Framework category:</p> <ul style="list-style-type: none"> • Green Buildings category as per GBP <p>This is consistent with the categories outlined in the GBP.</p>								
1c	Environmental and Social benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Eligible Green Category Green Buildings</p> <p>The methodology employed for the selection of eligible assets is based on the criteria outlined in the Green Star Buildings Upfront Carbon Emissions Credit and establishes the following benchmarks for reducing embodied carbon:</p> <table border="1"> <thead> <tr> <th>Upfront Carbon Emissions Reduction for Standard Practice Buildings</th> <th>Green Star Upfront Carbon Emissions Credit Achievement Level</th> </tr> </thead> <tbody> <tr> <td><10%</td> <td>Minimum requirements for all Green Star Projects</td> </tr> <tr> <td>20%</td> <td>Credit Achievement</td> </tr> <tr> <td>>40%</td> <td>Exceptional Performance</td> </tr> </tbody> </table> <p>Overall, DNV considers criteria benchmarked and assets selected by UTAS can reasonably be expected to deliver real and tangible environmental benefits through the Use of Proceeds category associated with improvements in green buildings. DNV concludes that the nominated projects are well aligned with the GBP.</p>	Upfront Carbon Emissions Reduction for Standard Practice Buildings	Green Star Upfront Carbon Emissions Credit Achievement Level	<10%	Minimum requirements for all Green Star Projects	20%	Credit Achievement	>40%	Exceptional Performance
Upfront Carbon Emissions Reduction for Standard Practice Buildings	Green Star Upfront Carbon Emissions Credit Achievement Level										
<10%	Minimum requirements for all Green Star Projects										
20%	Credit Achievement										
>40%	Exceptional Performance										
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an</p>	<p>DNV notes that the Green Bond issuance under the Framework is exclusively allocated to financing projects that utilize the Green Star Buildings tool credit for upfront embodied carbon.</p>								

Ref.	Criteria	Requirements	DNV Findings
		estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	As per the 2023-12 Green Bond Acquittal Table, amount held for the purposes of refinancing of debt is \$70m.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment -decision process	<p>The Issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the Principles; • The criteria making the projects eligible for using the Green Bond proceeds; and • The environmental sustainability objectives 	<p>As per the Framework, the evaluation and selection process for eligible assets will be sanctioned by the Transformation Working Group, with input from the Transformation Operations Group, the Architecture Design Review Group, and Corporate Finance.</p> <p>The Transformation Working Group adheres to the Terms of Reference, which pertain to the campus transformation program and serves as guiding directives for the Transformation Working Group during its assessment and evaluation of eligible assets.</p> <p>DNV concludes that the Framework appropriately describes the process of project evaluation and selection and is consistent with the criteria set out in the GBP.</p>
2b	Issuer's environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>The Framework describes UTAS's commitment towards sustainability and how their mission, vision and values all align towards making sustainability central to everything we do with central focus on their 4 goals:</p> <ul style="list-style-type: none"> ➤ Goal 1: A leader in sustainability governance and implementation ➤ Goal 2: A leader in sustainability education and research ➤ Goal 3: Partnerships and engagement activities deliver sustainability outcomes ➤ Goal 4: A university committed to sustainability in its facilities and operations management <p>UTAS is dedicated to operating with a focus on sustainable outcomes, benefiting not only the university but also their surrounding communities and the broader world. UTAS has been carbon neutral certified since 2016 and publishes their emissions sources and</p>

Ref.	Criteria	Requirements	DNV Findings
			<p>methodologies in their annual UTAS Greenhouse Gas Inventory Report. UTAS has also become an International Universities Climate Alliance member in 2020 and joined the Race To Zero in 2021 having taken a pledge for Net Zero target in 2050 or sooner.</p> <p>UTAS also manages their operational footprint through a circular economy approach to waste management, emphasizing the reduction of materials usage.</p> <p>It is DNV's conclusion that the Framework and Green Bond under the Framework are well aligned with the broader UTAS strategy and position on sustainability.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bond should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.	<p>The Framework describes that each year, the Transformation Working Group, supported by Finance, will assess the allocation of Green Bond proceeds to eligible projects. Finance will undertake the responsibility of monitoring, overseeing and tracking the net proceeds with the help of an Eligible Assets Register.</p> <p>From the Framework <i>Corporate Finance will be responsible for tracking and managing the net proceeds, whilst ensuring the total value of green bonds issued does not exceed the total value of Eligible assets quantified under the Eligible Assets Register.</i></p>
3b	Tracking procedure	So long as the Green Bond is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments made during that period.	The Framework describes that UTAS maintains a record of Eligible Assets, detailing their current value and allocation of proceeds. If proceeds remain unallocated or pending allocation, Finance will be responsible for managing these funds.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework highlights that if there are unallocated proceeds, Finance will handle the management of these funds. Possible options for managing unallocated proceeds will include:</p> <ol style="list-style-type: none"> 1. Holding them in cash or cash equivalent instruments. 2. Temporarily investing them in instruments that support the advancement of a low-carbon and climate-resilient economy. 3. Using them temporarily to reduce revolving indebtedness before reallocating them for use in Eligible Assets. <p>As per the 2023-12 Green Bond Acquittal Table, the unallocated proceeds to Eligible Assets are \$243.3m.</p>

4. Reporting

Ref	Criteria	Requirements	DNV Findings
4a	Annual reporting	<p>Issuers should make and keep readily available up to date information on the use of proceeds to be renewed annually until fully drawn, and as necessary thereafter in the event of material developments. This should include a list of the Green projects to which the Green Bond proceeds have been allocated and a brief description of the projects and the amounts allocated and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information is presented in generic terms or on an aggregated project portfolio basis.</p> <p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.</p>	<p>UTAS has confirmed they will issue Green Bond Framework before or upon the issuance of the Green Bond. UTAS will also issue a Second Party Opinion before or upon the Green Bond issuance.</p> <p>UTAS will disclose a Use of Proceeds Report and a Green Bond Impact Report at least on an annual basis which will include information about how the net proceeds are allocated and a list of Eligible Assets funded by the net proceeds.</p>



About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener. **DNV®**, **DNV®** and **Det Norske Veritas®** are the properties of companies in the Det Norske Veritas group. All rights reserved.