



# UNIVERSITY OF TASMANIA GREEN BOND

## DNV PERIODIC EXTERNAL REVIEW ASSESSMENT 2023

### Scope and objectives

The University of Tasmania ("UTAS" or the "Issuer") issued a 10-year and 20-year dual tranche AUD 350m Green Bond (henceforth referred to as "BOND"). The BOND is labelled as a "Green Bond" as defined within the Green Bond Principles 2021 (as updated 2022) ("GBP") set out by the International Capital Market Association ("ICMA").

UTAS has used the proceeds of the Green Bond to finance, in whole or in part, new or existing Eligible Green Project Categories:

- Green Buildings

DNV Business Assurance Australia Pty Ltd (henceforth referred to as "DNV") has been commissioned by UTAS to provide a Green Bond Periodic Review of the UTAS Green BOND. Our methodology to achieve this is described under 'Work Undertaken' below. DNV has provided independent assessment in the form of external review on the alignment of the UTAS Green Bond with the GBP 2021.

No assurance is provided regarding the financial performance of the BOND, the value of any investments in the BONDS, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

The scope of this DNV opinion is limited to the GBP and has been produced in alignment with the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews.

### Responsibilities of the Management of UTAS and DNV

The management of 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 management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. 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 GBP methodology, which incorporates the requirements of the GBP, to create a UTAS-specific Green Bond 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. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new

and existing projects with environmental benefits". Where required to assess underlying impact data, DNV has used the assurance standard ISAE 3000 for assurance over non-financial information.

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment or lending using the Green Bond proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organisation and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.
  - **Allocation Reporting.** Allocation of bond proceeds are being reported in line with the criteria of the Green Bond Principles and the Framework.
  - **Impact Reporting:** Performance associated with Green Use of Proceeds including projects and assets in line with the criteria of the Green Bond Principles and the Framework.

## 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:

- Creation of a UTAS-specific Protocol, adapted to the purpose of the BOND, as described above and in Schedule 2 to this Assessment;
  - Assessment of documentary evidence provided by UTAS on the 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.
  - Assessment of Annual Reporting conducted and review and opinion on the nature, appropriateness and where required accuracy of the data used for Allocation and Impact Reporting.
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## Findings and DNV's opinion

DNV's findings are listed below:

- 1. Principle One: Use of Proceeds.** UTAS has used the proceeds of the BOND to finance in whole or in part, new or existing Eligible Green Projects and Assets including:

- Green buildings

Specifically, UTAS has used Bond proceeds for assets or projects that use the Green Star Buildings tool credits for upfront embodied carbon. UTAS has provided analysis and specifications of its Eligible Green Assets within the Category of Green Buildings.

DNV reviewed the criteria for the project categories above to determine the eligibility of the nominated projects and assets.

- 2. Principle Two: Process for Project Evaluation and Selection.** UTAS has described the process for project evaluation and selection in the Framework. Potential projects to which proceeds are used under the Framework have been identified and selected by UTAS' responsible business units and have been assessed by a dedicated Transformation Working Group with submissions from the Transformation Operations Group, the Architecture Design Review Group and Corporate Finance to ensure the projects continue to meet the eligibility criteria. The allocation of proceeds will be reviewed annually by the Transformation Working Group with Corporate Finance to determine if any changes or updates to the allocations would be necessary.

DNV concludes that UTAS' Green Bond Framework appropriately describes the process of project evaluation and selection.

- 3. Principle Three: Management of Proceeds.** The net proceeds of Green Bond will be used and managed accordingly for financing of existing or new Eligible Green projects. UTAS plans to maintain a Register to manage the allocations of proceeds for Green Bond. The Green Bond register will be reviewed annually by Corporate Finance to account for any re-allocation, repayments or drawings on the Eligible projects and expenditures within the pool.

Pending the full allocation of the net proceeds, all or a portion of the net investment proceeds will be held in accordance with UTAS' general liquidity management policies. The unallocated funds can be invested in cash, cash equivalents, temporary investments consistent with a low carbon and climate resilient economy or applies to temporarily reduce indebtedness of a revolving nature before being redrawn for use for Eligible Assets.

DNV has reviewed the evidence presented and can confirm that the Framework indicates that proceeds arising from future issuances will be appropriately managed.

- 4. Principle Four: Reporting.** UTAS has confirmed reporting on the use of proceeds annually for effective communication with related stakeholders including investors.

UTAS' reporting includes;

- Allocation reporting for outstanding Bonds
- Impact reporting for outstanding Bonds

DNV can confirm that UTAS' Green Bond Framework appropriately describes the procedures of reporting in line with GBP.

On the basis of the information provided by UTAS and the work undertaken, it is DNV's opinion that the UTAS Green Bond meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

DNV has also provided limited assurance over the impact reporting data provided by UTAS. DNV cross checked the reported impacts against the provided underlying data and references. DNV found no information or data to indicate that the reported impacts were not correctly reported.

**for DNV Business Assurance Australia Pty Ltd**

Sydney, Australia / 31 March 2023

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

Mark Robinson  
Team Leader  
Head of Section, Sustainability  
Services

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

David McCann  
Technical Reviewer  
Senior Consultant, Sustainability  
Services

**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.

## SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS TO BE FINANCED THROUGH UTAS GREEN BOND

Project or Asset Category	Project or Asset Type	Asset	Project or Asset Location	Nominated Assets Amount at 31 December 2022 (AUDm)
Green Buildings	Low Carbon Buildings	Library & Student Experience Building	Launceston, TAS	350.0
		River's Edge Building	Launceston, TAS	
		Architecture Building	Launceston, TAS	
		Stone Building	Launceston, TAS	
		Philip Smith Centre	Hobart, TAS	
		Willis Street Building	Launceston, TAS	
		IMAS Taroona	Hobart, TAS	
		Forestry and Timber Yards Building	Hobart, TAS	
		Completion of Southern Campus Transformation being progressed	Southern Tasmania	
	<b>Total</b>			<b>350.0</b>

## SCHEDULE 2: GREEN BOND ELIGIBILITY ASSESSMENT PROTOCOL

### 1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the GBP:</p> <ul style="list-style-type: none"> <li>• Green Use of Proceeds Bond</li> <li>• Green Use of Proceeds Revenue Bond</li> <li>• Green Project Bond</li> <li>• Green Securitized Bond</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond Acquittal table</li> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> </ul> <p>Discussions with UTAS management</p>	<p>The reviewed evidence confirms that the BOND falls in the category: Green Use of Proceeds Bond.</p>
1b	Green Project Categories	<p>The cornerstone of a 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>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond Acquittal table</li> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> <li>- Sub Project Performance and Financial Documentation</li> </ul> <p>Discussions with UTAS management</p>	<p>As identified by the issuer disclosures, the purpose of the BOND is to use the proceeds to finance and/or refinance projects and acquisitions for projects falling under the following categories:</p> <ul style="list-style-type: none"> <li>• Green Buildings</li> </ul> <p>This is in line with the Green Bond Principles Use of Proceeds Criteria.</p>
1c	Environmental 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>Review of:</p> <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> <li>- Review of UTAS carbon reports</li> </ul>	<p>DNV reviewed the project selection criteria for projects and assets to be included in the bond pool and confirmed their nature and type to reasonably include</p> <ul style="list-style-type: none"> <li>• Green Buildings</li> </ul> <p>which are in line with the Use of Proceeds under the GBP 2021.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			Discussions with UTAS management	
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Review of: <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> <li>- Review of UTAS carbon reports</li> </ul> Discussions with UTAS management	Through review of UTAS Green Bond documents, DNV confirm that the net proceeds of the Bond have been used to finance, in whole or in part, new or existing Eligible Green Project Categories as described by UTAS.

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	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: <ul style="list-style-type: none"> <li>• A process to determine how the projects fit within the eligible Green Projects categories identified in the GBP;</li> <li>• The criteria making the projects eligible for using the Green Bond proceeds; and</li> <li>• The environmental sustainability objectives.</li> </ul>	Review of: <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> </ul> Discussions with UTAS management.	As per the UTAS Green Bond Framework, UTAS has set out the following criteria for project selection: <p>“Evaluation and selection process of eligible assets will be approved by the Transformation Working Group with submissions from the Transformation Operations Group, the Architecture Design Review Group and Corporate Finance.”</p> <p>Decision-making processes to determine the eligibility of projects are well explained in the Framework, including creation of a dedicated Transformation Working Group.</p> <p>DNV confirm this process to define a clear and repeatable system by which projects maybe identified and included or excluded from the Green Bond. The Criteria making the</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				projects eligible for inclusion contained within the Green Bond Framework were in line with the GBP eligible categories and can be expected to result in quantifiable environmental benefits.
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.	Review of: <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> <li>- UTAS carbon reports</li> <li>- UTAS Sustainability Portal</li> </ul> Discussions with UTAS management	UTAS puts sustainability at the heart of its operation. UTAS has a clear commitment to sustainability with a special focus on climate change through ongoing carbon neutrality, public disclosures and a 2050 Net Zero Target with action plan. UTAS has defined their approach to ESG as an organisation with stated ESG goals including: <ul style="list-style-type: none"> <li>- Goal 1: A leader in sustainability governance and implementation;</li> <li>- Goal 2: A leader in sustainability education and research;</li> <li>- Goal 3: Partnerships and engagement activities deliver sustainability outcomes, and;</li> <li>- Goal 4: A university committed sustainability in its facilities and operations management.</li> </ul> It is DNV's conclusion that UTAS has adopted ESG principles throughout their organisation and has a clear and defined focus on sustainability. The UTAS Green Bond Framework and Bond are well aligned with the broader UTAS strategy and position on sustainability.

### 3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer	Review of: <ul style="list-style-type: none"> <li>- BOND Final Terms</li> <li>- BOND Proceeds and reporting framework</li> </ul>	The evidence reviewed shows how UTAS plans to trace the BOND's proceeds, from the time of issuance to the time of disbursement.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		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.	Discussions with UTAS management	<p>UTAS' Corporate Finance will track the allocation of proceeds from issuance through to allocation. An Eligible Asset Register will be kept, through which the allocations will be tracked for the term of the Bond.</p> <p>DNV considers this to be well aligned with the requirements of the GBP.</p>
3b	Tracking procedure	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> <li>- UTAS Green Bond Report Planning</li> </ul> <p>Discussions with UTAS management</p>	<p>The evidence reviewed shows that UTAS plans to trace the proceeds from the BOND, from the time of issuance to the time of disbursement and reduce the net balance of proceeds by amounts in line with the assets investment and debt repayment schedules. At the end of each financial period, the outstanding balance of the Bond has been reviewed.</p> <p>DNV considers this to be well aligned with the requirements of the GBP.</p>
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>Review of:</p> <ul style="list-style-type: none"> <li>- UTAS Green Bond Framework</li> </ul> <p>Discussions with UTAS management</p>	<p>UTAS have indicated in the Framework that the unallocated proceeds can be invested in various activities (cash, cash equivalents, temporary investments consistent with a low carbon and climate resilient economy or applies to temporarily reduce indebtedness of a revolving nature before being redrawn for use for Eligible Assets) in accordance with its general liquidity management policies.</p> <p>DNV considers this to be well aligned with the requirements of the GBP.</p>

## 4. Reporting

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4a	Periodical reporting	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>Discussions with UTAS management</p> <p>Review of UTAS Green Bond Reporting</p> <p>Review of UTAS basis for calculation of annual reporting data</p> <p>Review of UTAS Carbon Reporting</p> <p>Review of UTAS GB Acquittal table</p> <p>Review of UTAS Sustainability Portal</p>	<p>UTAS has prepared a Green Bond Report Planning for the Reporting and Acquittal Process. This has been reviewed by DNV and confirmed to include description of the projects and value of the proceeds invested, as well as the associated qualitative and quantitative environmental impacts.</p> <p>The reporting period to 31 December 2022 has been reported to result in the following impacts associated with the Use of Proceeds and presented here to the nearest whole number. UTAS has provided actual upfront Carbon reduction data.</p> <p>DNV cross checked the reporting summary against the provided upfront Carbon reduction data, including verification of the Green Building Council of Australia “Upfront Carbon Emissions Calculation Guide” methodology.</p> <p><b>Green Buildings</b></p> <p>DNV notes that the declared unit for upfront carbon emissions is kg CO<sub>2</sub>e/m<sup>2</sup> GFA which is kilograms of carbon dioxide equivalent per square metre of Gross Floor Area (GFA)</p> <table><tr><th>Building</th><th>Measurement unit</th><th>Standard Build Upfront Carbon</th><th>UTAS Building upfront Carbon</th><th>Variance</th><th>Upfront Carbon Emissions Reduction (%)</th></tr><tr><td>Willis Street</td><td>tCO<sub>2</sub>-e</td><td>8190</td><td>5484</td><td>2706</td><td>33</td></tr><tr><td>Stone Building Stage 1</td><td>tCO<sub>2</sub>-e</td><td>4474</td><td>1698</td><td>2776</td><td>62</td></tr><tr><td>Architecture Building</td><td>tCO<sub>2</sub>-e</td><td>4142</td><td>938</td><td>3204</td><td>77</td></tr></table>	Building	Measurement unit	Standard Build Upfront Carbon	UTAS Building upfront Carbon	Variance	Upfront Carbon Emissions Reduction (%)	Willis Street	tCO <sub>2</sub> -e	8190	5484	2706	33	Stone Building Stage 1	tCO <sub>2</sub> -e	4474	1698	2776	62	Architecture Building	tCO <sub>2</sub> -e	4142	938	3204	77
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