

# Green Bond Framework

FEBRUARY 2022



*We acknowledge the palawa/pakana people of lutruwita/Tasmania and Gadigal people of Sydney, the traditional owners of the land upon which we live and work. We pay respects to Elders past and present as the knowledge holders and sharers. We honour their strong culture and knowledges as vital to the self-determination, wellbeing and resilience of their communities. We stand for a future that profoundly respects and acknowledges Aboriginal perspectives, culture, language and history.*





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# Introduction to the University of Tasmania

## Who we are

The University of Tasmania was founded in 1890 and is Australia's fourth oldest University. Today, we are a community that consists of over 36,000 students and we are one of the largest employers in the state employing over 6,300 people, or the full-time equivalent of over 2,900 people. We were founded on the core principle of serving our island state and its people, and our mission remains the same to this day-to be a place where we do things for and from Tasmania to the world.

Because of our unique setting and challenges, we go beyond creating places of learning. Through all that we do, we strive to support Tasmanians to flourish and thrive, strengthen communities, stimulate economic growth, lift literacy, improve health outcomes for Tasmanians, and nurture our environment as it nurtures us.

We deliver our courses across Tasmania, enabling everyone to access the education they need to grow and contribute to their communities. From our Hobart, Launceston and Burnie campuses, we teach across the island to a distinctively diverse group of students, fostering a deep connection to our unique location, our island character and our complex history, through distinctive and impactful experiences.

We benefit from strong governance and oversight and partnerships from the Federal and State levels, and given our role as the only university in the state, we have a strong partnership approach with government in how we create impact and respond to the needs of our community.

Our ability to be regionally responsive has seen us leverage opportunities to make contributions from Tasmania to the world, such as the growth of our online learning offerings, and the establishment of our Rozelle campus through partnership with the NSW government.



## Our strategy

In 2019, we developed a five-year strategic plan to deliver outcomes across six key areas in *Education Attainment, Health, Cultural Participation, Economic Performance, Social Inclusion, and Environmental Sustainability*.

In 2020, we refined the strategy to strengthen our focus on impact areas considered especially critical for recovery in the post-COVID world. At the heart of our strategy, is creating distinctive experiences, with impact for Tasmania and our community.

The pillars of this strategy include:



### › Regionality

We are focused on offering more courses in more places, that are aligned with local industry and workforce needs, and research opportunities.



### › Access with excellence

We continue to support access and break down barriers where they exist across the state. In 2021, we introduced a Schools Recommendation program which removed the ATAR requirement for entry.



### › Partnerships to make a difference

We recognise that even greater outcomes can be achieved through meaningful partnerships and we are committed to support and develop new and longstanding partnerships in the delivery of our mission.



### › Contemporary learning

We continue to enhance and build better, more meaningful, engaging and immersive learning experiences, and replace legacy infrastructure with state-of-the-art facilities.



### › Sustainability

Our work to become a truly sustainable university is being recognised nationally and globally, with sustainability principles embedded across the institution.

## Research impact

We are a research-intensive institution, being the main provider of research for Tasmania's society and economy. Our national and international reputation is reflected by our top-10 standing as a recipient of research funding in Australia.

**97%**

of our research rates are at or above world standards.

**\$114m**

of reportable research income was generated in 2020.

**400+**

partners across a range of industries.

Some of our research facilities include:



### › Institute of Marine & Antarctic Studies (IMAS)

IMAS is a centre of excellence for marine and Antarctic research that cuts across traditional scientific and social scientific boundaries. IMAS is dedicated to enhancing environmental understanding and facilitating thoughtful and sustainable development for the benefit of Australia and the world.



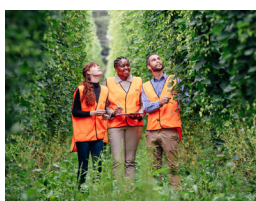
### › Menzies Institute for Medical research

Menzies exists to perform internationally significant medical research leading to healthier, longer and better lives for Tasmanians.



### › Australian Maritime College

AMC is a centre of excellence for maritime and marine research, with the aim to drive innovation, meet the needs of industry and defence, with the most advanced maritime facilities in the Southern Hemisphere.



### › Tasmanian Institute for Agriculture

The Tasmanian Institute of Agriculture (TIA) is a joint venture with the Tasmanian Government, and has the mandate to progress the agricultural industry of Tasmania through the provision of industry-relevant research and development.



### › Institute for Social Change

The Institute for Social Change supports positive social change by bringing together researchers from a diverse range of disciplines with partners in community, government and industry.



### › Tasmanian Policy Exchange

The Tasmanian Policy Exchange (TPE) was established in 2020 as a strategic initiative to enhance the University's capacity to make timely and informed contributions to policy issues and debates that will shape Tasmania's future.



# Our approach to Environmental, Social and Governance outcomes

The University of Tasmania is committed to operating and focusing on environmental, social and governance (ESG) outcomes for ourselves, our surrounding communities and the world, while respecting the traditional owners and their deep history with these lands and waters.

In accordance with the *University of Tasmania Sustainability Policy*, the University is committed to the incorporation of inclusive and equitable sustainability principles and practices in, and informed by, its governance, teaching, research, community engagement and operations.

Our *Strategic Framework for Sustainability* expands on this commitment and provides an essential foundation for the University to undertake a holistic approach to sustainability across four key areas.

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## Goal 1 > A leader in sustainability governance and implementation

> We embed sustainability in University core business and culture to increase capacity to contribute to sustainable forms of development. We will continue to be a leader in sustainability through consulting with our community as well as embedding, promoting and progressing sustainability across the University and within the broader community.

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## Goal 2 > A leader in sustainability education and research

> We seek to be recognised as a leader in sustainability education and research including indigenous knowledge. We integrate sustainability across the curriculum and within research areas as well as deliver and facilitate extra-curricular opportunities in sustainability and to use the University as a 'living lab' in a way that is innovative, collaborative and provides long-term impact.

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## Goal 3 > Partnerships and engagement activities deliver sustainability outcomes

> We maintain the University's social mission focus through our partnerships, internal and external community engagement and our University-wide sustainability program. Working meaningfully with our partners, we seek to inspire and support creative solutions, challenge perceptions, provide insights, share expertise and create opportunities.

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## Goal 4 > A university committed to sustainability in its facilities and operations management

> We ensure our facilities and operations meet sectoral or world best practice delivering operational sustainability outcomes, including in greenhouse gas emissions, energy, water, transport, waste, biodiversity, investment and procurement. Working collaboratively with sectoral peers and organisations we improve our own outcomes and in turn help others improve theirs.

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# Our commitment to sustainability

We are committed to operating and focusing on sustainable outcomes for ourselves, our surrounding communities, and the world.

Our approach to our overarching University sustainability framework takes its context from the United Nations-brokered Sustainable Development Goals (SDGs), the Learning in Future Environments Index (LiFE) and the Sustainability Tracking, Assessment & Rating System (STARS).

We are committed to embedding sustainability principles into all facets of our endeavours to ensure that the University's practices reflect and complement its desired standing and contribution in the local and global community.

As part of our commitment to sustainability and in recognition of the urgency of the climate crisis and the need to limit warming to 1.5°C, we are committed to support development of a zero-carbon economy.

## Our supports include:



### › Being carbon neutral certified since 2016, including annual public reporting:

- our emissions sources, methodologies, and profile change commentary, are available in our annual UTAS Greenhouse Gas Inventory<sup>1</sup> reports
- we were certified as a carbon neutral organisation in 2016 (Climate Active)
- under the National Greenhouse and Energy Reporting (NGER) Act 2007, and the Tertiary Education Facilities Management Association (TEFMA) benchmarking survey

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- › Becoming an International Universities Climate Alliance member in 2020.
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- › Our divestment strategy was executed to reposition the University's investment portfolio in 2021 away from carbon intensive investments.
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### › Joining Race To Zero (previously Global Climate Letter for Universities and Colleges) in 2021, which commits the University to:

- Pledge: Having a 2050 or sooner net zero target
  - Plan: explain what steps will be taken toward achieving net zero
  - Proceed: taking action towards net zero
  - Publish: commit to report progress annually
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### › Our commitment includes concentrated efforts in the following areas:

- **Our built environment**, which includes pursuing sustainable development and refurbishment opportunities, following environmentally sustainable design principles and minimising embodied carbon
  - **Our operating footprint**, which includes a circular economy approach for waste management focusing on reduced materials use (packaging and disposables), provision of recycling infrastructure and services, and sustainable procurement through to water conservation, and sustainable transport
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<sup>1</sup>University of Tasmania Climate Active documents, including latest inventories and public disclosure documents available at <https://www.utas.edu.au/infrastructure-services-development/sustainability/greenhouse-gas-emissions#1240924>



# Overview

## Green Bond Framework

### PURPOSE OF THE GREEN BOND FRAMEWORK

The purpose of this Framework (the “Framework”) is to set out in line with the Green Bond Principals 2021 (“GBP”), the way the University will:

- 1 Use proceeds
- 2 Evaluate and select Eligible assets (finance projects, assets or expenditure that create positive environmental outcomes)
- 3 Manage proceeds; and
- 4 Report



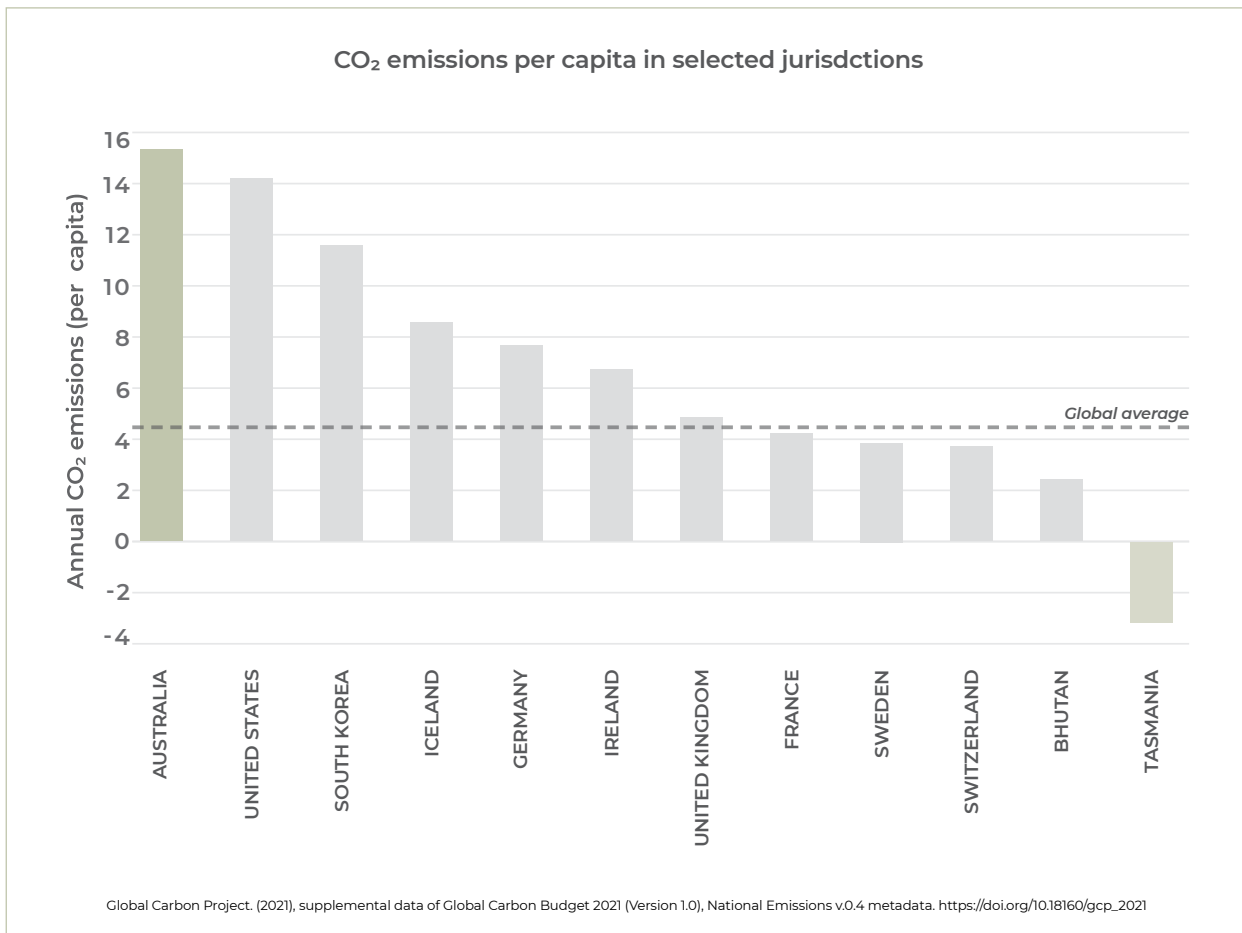
Green bonds are issued to finance eligible assets that deliver positive environmental outcomes which are part of our broader approach to environmental, social and governance outcomes and our commitment to sustainability.

📍 The Inveresk Apartments (NRAS) student accommodation, Launceston achieved a 6 Star Green Star rating.

# Framework for the use of proceeds

Tasmania has one of the lowest carbon electricity grids in the world due to its primary energy source being renewable hydroelectric and wind generation. Our net-negative emissions profile (-1683 kt CO<sub>2</sub>-e in 2019) and Tasmania's substantial renewable electricity assets provide a strong foundation to continue build a reputation as a leader of climate action.

The state's net emissions per capita rank among the lowest in the developed world (figure 1), and Tasmania can currently claim to be Australia's only net-negative emissions jurisdiction. Most jurisdictions globally are grappling with the challenge of decarbonising electricity generation; Tasmania, with its renewable energy base, can focus on efforts to decarbonise the wider economy<sup>3</sup>.



The University has determined the most impactful pathway for our contribution to decarbonisation is to reduce the upfront embodied carbon within our building program and play a role in driving transformative change of the construction industry.

We will achieve this through adaptive reuse of existing buildings (i.e. avoiding demolition and construction) where appropriate, and the use of low embodied carbon construction practices in major refurbishments and new construction as part of our campus transformation.

<sup>3</sup>Towards a climate-positive Tasmania, Tasmanian Policy Exchange, University of Tasmania (October 2021). <https://www.utas.edu.au/community-and-partners/tpe/climate>



## GREEN BUILDING ELIGIBILITY CRITERIA

The methodology used for selecting eligible projects and assets is based on the Green Star Buildings<sup>4</sup> “Upfront Carbon Emissions” credit. This methodology has been selected for the following reasons:

➤ It captures up-front or embodied carbon in buildings

➤ It is a standardised and established industry methodology that is widely understood and transferable between projects

➤ Modelling protocols and reduction targets have been tested against global sustainability benchmarks and through local industry working groups in development of the Green Star Buildings assessment tool

## USE OF PROCEEDS PERFORMANCE BENCHMARKS

Proceeds from the issuance of green bonds will be solely used for the purpose of financing projects that use the Green Star Buildings tool credit for up-front embodied carbon. This section sets out the criteria upon which eligible assets will qualify for inclusion in a University of Tasmania Green Bond.

The “Upfront Carbon Emissions” credit seeks to reduce carbon emissions embedded in products and materials used in the building's construction, and sets the below embodied carbon reduction benchmarks:

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

The University will target a 20% (or better) reduction in upfront carbon emissions for eligible assets.

<sup>4</sup>Green Star Buildings, Submission Guidelines, Version 1: Revision A (6 July 2021). <https://hew.gbca.org.au/>

📍 The Medical Science 2 (MS2) building in Hobart City was the first educational building in Tasmania to achieve a 5 Star Green Star rating for environmental design.



## PROCESS FOR EVALUATION AND SELECTION OF ELIGIBLE ASSETS

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.

The University is building its city campuses in accordance with urban design principals of a sustainable campus (Design Principals). The Transformation Working Group is guided by Terms of Reference which apply to the campus transformation programme.

The Terms of Reference includes a commitment to the University's Sustainability Policy including the reduction in embodied carbon across its city campus. These principles will guide the Transformation Working Group in its consideration and evaluation of eligible assets. Buildings or projects that are smaller in scale and impact and projects that enable the move to the city in the short-term, may be excluded as eligible assets.

## MANAGEMENT OF PROCEEDS

Annually, the Transformation Working Group supported by Corporate Finance will review the allocation of the Green Bond proceeds to the eligible projects against the Green Bond criteria.

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. Corporate Finance will track the allocation of proceeds from Bonds issued through to allocation to the nominated Assets. Allocations will be tracked within the Eligible Asset Register through the term of a Bond.

In the event that proceeds from any debt issuance is unallocated, or is pending allocation, Corporate Finance will be responsible for the management of these proceeds of which these may be:

- 1 Held in the form of cash, or cash equivalent instruments
- 2 Held in temporary investment instruments which are not inconsistent with the delivery of a low carbon and climate resilient economy
- 3 Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for use for Eligible Assets

A look back period for the allocation of proceeds to Eligible assets from the financing and/or refinancing of bonds, will be no more than 36 months prior to the bond issuance.





📍 Artist's Impression:  
Campus Heart – Midtown,  
Hobart City.

## EXTERNAL REVIEW

A Second Party Opinion provider will be engaged to certify the Green Bond Framework and relevant information, including materiality of the information is independently assured. Moreover, the Second Party Opinion will assure that the Framework aligns with the relevant principles and standards.

This Framework is subject to future amendments and will be updated in line with changing market standards and practices.

## REPORTING

Under the Green Bond Framework, information will be made available in the following reports:

Green Bond Framework	Before or upon issuance of a green bond specified under this Framework
Second Party Opinion	Before or upon issuance of a green bond specified under this Framework
Use of Proceeds and Green Bond Impact report	At least annually, disclosure on the allocation of the net proceeds in a Green Bond Impact Report will contain a list of eligible assets funded by the proceeds.



