

# CANBERRA METRO CONSORTIUM GREEN LOAN – STAGE 1 REFINANCING AND STAGE 2A FINANCING

## DNV PRE-ISSUANCE VERIFICATION ASSURANCE OPINION

### Scope and Objectives

Canberra Metro Consortium (“Canberra Metro” or the “Borrower”) is preparing to enter into Green Loans (“Loans”) under the Canberra Metro Green Loan Framework updated in December 2023 (“the Framework”). The Framework has been developed in line with the **Climate Bonds Standard V4.0** (“CBS”) and the **Green Loan Principles** dated February 2023 (“GLP”) and issued by the APLMA, LMA and the LSTA.

- **Climate Bonds Standard V4.0** (“CBS”)
- **Green Loan Principles**, February 2023 (“GLP”), issued by the APLMA, LMA and the LSTA

Collectively, these principles and standards are referred to in this report as the “**Principles & Standards**”.

DNV Business Assurance Australia Pty Ltd (“DNV”) confirms that the Loans are aligned with the **Principles & Standards**.

Canberra Metro intends to use the proceeds of the Loans to finance and/or refinance nominated projects and assets falling under the following categories:

- Low Carbon Transport

DNV has been commissioned by Canberra Metro to provide verification of the Green Loans which will be raised in accordance with the terms of the Framework as an independent and approved verifier under the Principles & Standards. Our criteria and information covered to achieve this is described under ‘Work Undertaken’ below.

No assurance is provided regarding the financial performance of the Loans, the value of any investments in the Loans, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Loans have met the criteria of the GLP, CBS and the associated Technical Criteria, on the basis set out below.

The scope of this DNV opinion is limited to:

- the CBS and the following associated Sector Technical Criteria related to Low Carbon Transport – Light Rail; and
- the GLP.

### Responsibilities of the Management of Canberra Metro and DNV

The management of Canberra Metro 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 Canberra Metro management and other interested stakeholders in the Loans 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 Canberra Metro.

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 Canberra Metro's management and used as a basis for this assessment were not correct or complete.

### Basis of DNV's opinion

DNV has conducted the verification against the CBS v4.0 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS v4.0 and the relevant technical criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

### 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 Canberra Metro 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 and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Loans' nominated projects and assets, as described above and in Schedule 2 to this Opinion;
- Assessment of documentary evidence provided by Canberra Metro on the Loans and supplemented by a high-level desktop research,
- Interviews with key personnel from the borrower Canberra Metro,
- Discussions with Canberra Metro 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.

## Findings and DNV's opinion

DNV has performed the Pre-Issuance Verification of the Canberra Metro Green Loan Framework. It is DNV's responsibility to provide an independent verification statement on the compliance of the Loans with the **Climate Bonds Standard V4.0** ("CBS") and the Green Loan Principles dated February 2023 ("GLP") and issued by the APLMA, LMA and the LSTA, collectively referred to as the Principles & Standards

DNV conducted the verification in accordance with the Principles & Standards and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Principles & Standards were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming with the Principles & Standards and the controls in place to mitigate these risks. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Framework, and other associated documentation, meet the requirements of the Principles & Standards

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Green Loans are not, in all material respects, in accordance with the Pre-Issuance requirements of the CBS, the associated Low Carbon Transport Technical Criteria, and the GLP.

### for DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 12 December 2023



David McCann  
Team Leader



Jerus D'Silva  
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### 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**

Investment	Use of Proceeds	Value (AUDm)
Refinance of LRS1	Low Carbon Transport – Light Rail Rolling Stock, Network and Supporting Infrastructure	265
Canberra Metro LRS2A	Low Carbon Transport – Light Rail Rolling Stock, Network and Supporting Infrastructure	550
<b>Total</b>		<b>815</b>

## SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

### Summary criteria for assertions of compliance with the Climate Bonds Standard v4.0

The criteria against which Canberra Metro and its nominated projects & assets have been reviewed prior to inclusion in the loan are grouped under the requirements as detailed within the CBS including:

#### Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated projects & assets which are proposed to be associated with the Loans and which have been assessed as eligible activities under the CBS related to Low Carbon Transport – Light Rail.
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. This process will be governed and administer by a Green Finance Working Group which will identify each Eligible Expenditure based on the eligibility criteria
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer. The Issuer has shown how it will ensure the Eligible Expenditures are appropriately tracked and allocated.
Reporting Prior to Issuance	The Borrower shall prepare a Green Financing Framework and make it available prior to Issuance or at the time of issuance to lenders
Reporting	Reporting on use of proceeds and nominated projects and assets

#### Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loans and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer

Reporting	Reporting on use of proceeds and nominated projects and assets
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**Part C: Eligible projects and physical assets**

Nominated projects and assets include financing or refinancing of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Appendix B.

Area	Requirement
Low Carbon Transport	<p>Examples of potential expenditures associated with this sector include:</p> <ul style="list-style-type: none"> <li>○ Passenger rail transport – rolling stock</li> <li>○ Rail transport networks</li> <li>○ Infrastructure for low carbon transport</li> </ul>

**Part D: Certification under the Climate Bonds Standard**

Area	Requirement
Pre-Issuance Certification	The Borrower of a Climate Bonds Standard Certification must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information
Post-Issuance Certification	The Borrower of a Climate Bonds Standard Certification must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information
Maintaining Certification	The Borrower shall provide annual reporting to the CBI and comply with non-conformance correction as required