



RELIANCE RAIL
GREEN SUSTAINABILITY-LINKED LOAN
CLIMATE BONDS STANDARD PRE ISSUANCE VERIFICATION
ASSURANCE OPINION



Document title: Reliance Rail Green Sustainability-Linked Loan Climate Bonds Standard Pre Issuance Verification Assurance Opinion

Prepared by: DNV Business Assurance Australia Pty Ltd.

Location: Sydney, Australia

Date: 22 February 2022

RELiance RAIL GREEN SUSTAINABILITY-LINKED LOAN Scope and Objectives

Reliance Rail Finance Pty Limited (“RRF” or “Issuer”) is considering entering into a Green Sustainability-Linked Loan in AUD (henceforth referred to as “LOAN”) and has submitted the proposed loan for verification and certification against the **Climate Bond Standard** (CBS) which DNV confirms to meet and exceed the criteria in the Green Loan Principles 2021 (“GLP”). DNV notes that it has provided a Second Party Opinion on the LOAN’s alignment with the Sustainability Linked Loan Principles 2021 in a separate document.

RRF intends to use the proceeds of the LOAN to refinance the nominated assets, falling under the following category:

- Clean Transport – Electrified Passenger Rail and Dedicated Supporting Infrastructure

DNV Business Assurance Australia Pty Ltd (henceforth referred to as “DNV”) has been commissioned by RRF to provide verification of the LOAN as an independent and approved verifier under the Climate Bond Standard. Our criteria and information covered to achieve this is described under ‘Work Undertaken’ below.

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

The scope of this DNV opinion is limited to:

- the Climate Bond Standard Version 3.0 and the following associated Sector Technical Criteria:
 - Low Carbon Transport
- the Green Loan Principles 2021

Responsibilities of the Management of RRF and DNV

The management of RRF 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 RRF management and other interested stakeholders in the LOAN 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 RRF.

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 RRF’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 v3.0 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS v3.0 and the Low Carbon Transport Sector 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 RRF 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 Bond Standard Protocol, adapted to include the relevant Sector Technical Criteria for the LOAN nominated projects and assets, as described above and in Schedule 2 to this Opinion;
 - Assessment of documentary evidence provided by RRF on the LOAN and supplemented by a high-level desktop research, remote asset review and interviews with key personnel from the issuer RRF. These checks refer to current assessment best practices and standards methodology;
 - Discussions with RRF management, and review of relevant documentation;
 - Verification of nominated project site;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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Findings and DNV's opinion

DNV has performed the Pre Issuance Verification of the RRF Green Sustainability-Linked Loan. It is DNV's responsibility to provide an independent verification statement on the compliance of the RRF Green Loan with the Climate Bond Standard v3.0 and Green Loan Principles 2021.

DNV conducted the verification in accordance with the Climate Bond Standard Version 3.0 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 Climate Bond Standard and Green Loan Principles 2021 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 to the Climate Bond Standard and Green Loan Principles and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the RRF Green Loan meets the requirements of the Climate Bond Standard and criteria of the Green Loan Principles

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the RRF Green Loan is not, in all material respects, in accordance with the Pre Issuance requirements of the Climate Bond Standard Version 3.0, Associated Low Carbon Transport Technical Criteria. DNV also confirms that the RRF Green and Sustainability-Linked Finance Framework and proposed Loan are aligned with the Green Loan Principles 2021.

for DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 22 February 2022

A handwritten signature in black ink, appearing to read "M. Robinson".

Mark Robinson
Team Leader

A handwritten signature in black ink, appearing to read "D. McCann".

David McCann
Technical Reviewer

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

Asset	Type	Location
The Waratah Fleet of 78 8-car double-deck electrified passenger train sets	Low Carbon Transport – Electrified Rail	Greater Sydney, NSW, Australia
Auburn Maintenance Centre (“AMC”), a dedicated facility, purpose-built in the west of Sydney to maintain the Waratah Fleet and now used to maintain 2 additional electrified passenger rail fleets for the State of New South Wales	Low Carbon Transport – Electrified Rail	

Schedule 2: Climate Bonds Standard Verification Criteria

Summary criteria for assertions of compliance with the Climate Bond Standard v3.0

The criteria against which RRF and its nominated projects and assets have been reviewed prior to inclusion in the Loan are grouped under the requirements as detailed within the Climate Bond Standard Version 3.0 including:

Part A: Pre Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loan 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 Borrower
Reporting Prior to Issuance	The Borrower shall prepare a Green Loan Framework and make it available prior to Issuance or at the time of Issuance
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 Loan 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 of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Appendix B.

Area	Requirement
Low Carbon Transport	All zero direct emissions transport along with key components and dedicated supporting infrastructure are automatically eligible and therefore certifiable under the Transport Criteria

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre Issuance Certification	The Borrower of a Climate Bonds Standard Certified Loan 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 Certified Loan 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