

QUEENSLAND TREASURY CORPORATION GREEN BOND FRAMEWORK

DNV GL GREEN BOND FRAMEWORK REVIEW STATEMENT

Scope and objectives

Queensland Treasury Corporation (“QTC” or “Issuer”) has prepared an update to their Green Bond Framework to facilitate potential issuance under the Green Bond Principles in addition to their existing issuance and capability under the Climate Bonds Standard.

DNV GL Business Assurance Australia Pty Ltd (henceforth referred to as “DNV GL”) has been commissioned by QTC to provide assurance on the accordance of the Green Bond Framework with the Green Bond Principles 2017 as an independent third party. Our criteria and information covered to achieve this is described under ‘Work Undertaken’.

No assurance is provided regarding the financial performance of any Bond issued under the framework, the value of any investments in those Bonds, or the long term environmental benefits of those transactions. Our objective has been to provide an assessment that the Green Bond Framework has met the criteria of the Green Bond Principles and the associated guidance on the basis set out below.

Responsibilities of the Management of QTC and DNV GL

The management of QTC has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform QTC management and other interested stakeholders as to whether the QTC Green Bond Framework is in accordance with the Green Bond Principles 2017, based on the information provided to us. In our work we have relied on the information and the facts presented to us by QTC. DNV GL 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 GL shall not be held liable if any of the information or data provided by QTC’s management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL’s opinion

DNV GL has conducted an independent review against the Green Bond Principles 2017 and associated Guidance through the creation and execution of a verification protocol addressing each section of the Green Bond Principles 2017 and associated Guidance. The detail of areas covered in the DNV GL verification is summarised in Schedule 1 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 QTC 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:

Green Bond Framework Review

- Creation and execution of a Green Bond Principles Protocol, adapted to include the relevant sections and criteria for the Green Bond Framework and nominated use of proceeds categories;
 - Assessment of documentary evidence provided by QTC on the Green Bond Framework and where necessary supplemented by a high-level desktop research, onsite visit for documentation review and interviews with key personnel from the issuer QTC. These checks refer to current assessment best practices and standards methodology;
 - Discussions with QTC management, and review of relevant documentation;
 - Documentation of findings against each element of the criteria.
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Findings and DNV GL's opinion

DNV GL has performed the independent review of the QTC Green Bond Framework. It is DNV GL's responsibility to provide an independent statement on the accordance of the BOND with the Green Bond Principles.

DNV GL conducted the review in accordance with the Green Bond Principles 2017 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 Green Bond Principles were consistently and appropriately applied and ii) the collection of evidence supporting the review.

DNV GL's approach draws on an understanding of the risks associated with conforming to the Green Bond Principles and the controls in place to mitigate these. DNV GL planned and performed the review by obtaining evidence and other information and explanations that DNV GL considers necessary to give limited assurance that the QTC Green Bond framework meets the criteria of the Green Bond Principles.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the QTC Green Bond Framework is not, in all material respects, in accordance with the requirements of the Green Bond Principles and associated guidance.

for DNV GL Business Assurance Australia Pty Ltd

Sydney, 3 May 2018



Mark Robinson

Manager, Sustainability Services
DNV GL – Business Assurance

About DNV GL

Driven by our purpose of safeguarding life, property and the environment, DNV GL 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: VERIFICATION CRITERIA

Summary criteria categories under the Green Bond Principles 2017

The criteria against which QTC and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the Climate Bonds Standard Version 2.1 including:

Section 1: Use of Proceeds

Criteria
All designated Green Projects should provide clear environmental benefits
it is recommended that issuers provide an estimate of the share of financing vs. re-financing
Use of Proceeds Category selection such as climate change, natural resources depletion, loss of biodiversity, and air, water or soil pollution

Section 2: Process for Project Evaluation and Selection

Criteria
Communication of the environmental sustainability objectives of the use of proceeds
Communication of the process by which the issuer determines how the Projects fit within the eligible Green Projects categories identified above
Communication of the related eligibility criteria, including, if applicable, exclusion criteria
External Review

Section 3: Management of Proceeds

Criteria
Allocation of proceeds to the value or exposure to the nominated projects and assets
Tracking of balances and periodic adjustment according to outstanding amounts
The use and type of temporary investments
Transparency and external review of the Management of Proceeds

Section 4: Reporting

Criteria
Make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation
Reporting of qualitative or quantitative environmental performance of the use of proceeds
Related reporting obligations and commitments under related frameworks (such as the Climate Bonds Standard)
