

# Columbus Capital

**Type of Engagement:** Green Bond Pre-Issuance Review

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## Introduction

In May 2023, Columbus Capital (“ColCap”) developed the ColCap Green Bond Framework (the “Framework”)<sup>1</sup> under which ColCap intends to issue green bonds to finance mortgage loans for the construction, purchase or refinancing of new or existing real estate properties.

ColCap intends to issue the Triton 2024-3 Class A1-AU-G green bond tranche in December 2024. ColCap engaged Sustainalytics to review the projects it intends to fund with proceeds from the Triton 2024-3 Class A1-AU-G green bond tranche (the “Nominated Projects”), and provide an assessment as to whether the Nominated Projects comply with the Use of Proceeds, Project Selection and Management of Proceeds sections of the Framework. Sustainalytics provided a Second-Party Opinion on the Framework in May 2023.<sup>2</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Projects as to whether:

1. They are aligned with the use of proceeds eligibility criteria in the Framework
2. The commitments to select projects and manage proceeds are aligned with those in the Framework.

Appendix 2 provides a summary of the Nominated Projects.

## Issuing Entity’s Responsibility

ColCap is responsible for providing accurate information and documentation relating to the Nominated Projects, including a description of the projects. This information was provided to Sustainalytics to support its review. ColCap is also responsible for confirming to Sustainalytics that the processes for project selection and management of proceeds will remain aligned with the commitments in the Framework.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the Triton 2024-3 Class A1-AU-G green bond tranche. The work undertaken as part of this engagement included verification of the Nominated Projects and confirmation from representatives of ColCap that the use of proceeds, processes for project selection and management of proceeds for the Triton 2024-3 Class A1-AU-G green bond tranche will remain aligned with the commitments described in the Framework.

Sustainalytics has relied on the information and the facts presented by ColCap with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by ColCap.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment.

## Conclusion

Based on the limited assurance procedures conducted,<sup>3</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Class A1-AU-G green bond tranche is not aligned with the Framework.

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<sup>1</sup> ColCap, “Green Bond Framework”, (2023), at: <https://colcap.com.au/investor-centre/>

<sup>2</sup> Sustainalytics, “Second Party-Opinion, ColCap Green Bond Framework”, (2023), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/colcap-green-bond-framework\\_second-party-opinion\\_updated--05052023.pdf?sfvrsn=274637e6\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/colcap-green-bond-framework_second-party-opinion_updated--05052023.pdf?sfvrsn=274637e6_1)

<sup>3</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of projects and assets, including description, estimated and realized costs, and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendix 1: Use of Proceeds Eligibility Criteria of the Framework

The residential buildings will be selected as per the Climate Bond Initiative's residential green building proxies, in addition to local building codes and standards in Australia, including:

- New South Wales (NSW): Houses in all areas of NSW whose construction was completed after 31 January 2007, as well as apartments meeting the Building Sustainability Index (BASIX) Energy 40 requirements.<sup>4</sup>
- Victoria: Houses and apartments approved under the National Construction Code's (NCC)<sup>5</sup> Building Code of Australia (BCA)<sup>6</sup> 2011 and whose construction was completed after 30 November 2012, along with achieving a 6-star rating under the Nationwide House Energy Rating Scheme (NatHERS).<sup>7</sup>
- Tasmania: Houses and apartments approved under NCC BCA 2013 and whose construction was completed after 30 November 2014, along with achieving a 6-star rating under the NatHERS.
- All states except Western Australia: Houses and apartments with installed rooftop solar panels meeting the minimum energy requirements of the Australian Residential Rooftop Solar Proxies.<sup>8</sup>
- All states: Residential buildings certified by the Green Building Council of Australia under the Green Star Homes rating system that do not have a swimming pool and comply with either the renewable energy pathway A or renewable energy pathway B.

<sup>4</sup> BASIX, at: <https://www.basixmax.com.au/basix-requirements#:~:text=A%20minimum%20score%20of%2040%20for%20Energy%20is%20required%20by,heating%2C%20cooling%2C%20and%20lighting>

<sup>5</sup> NCC, at: <https://ncc.abcb.gov.au/>

<sup>6</sup> BCA, at: <https://www.abcb.gov.au/>

<sup>7</sup> NatHERS, at: <https://www.nathers.gov.au/owners-and-builders/home-energy-star-ratings>

<sup>8</sup> Rooftop Solar Proxies, at: <https://www.climatebonds.net/files/files/Residential%20AUS%20-%20Rooftop%20solar%20proxy%20April%202021.pdf>

## Appendix 2: Summary of the Nominated Projects<sup>9</sup>

**Table 1: Breakdown of loans by type of expenditure**

State	Number of eligible projects	Type of expenditure (purpose)		
		Construction	Purchase	Refinance
<b>New South Wales</b>	283	37	118	128
<b>Victoria</b>	756	87	408	261
<b>Tasmania</b>	60	3	37	20
<b>Total</b>		<b>1099</b>		

**Table 2: Breakdown of loans by type of property**

State	Number of eligible projects	Type of property			
		Apartment/Unit/Flat	House	Townhouse	Villa
<b>New South Wales</b>	283	-	267	15	1
<b>Victoria</b>	756	339	363	54	-
<b>Tasmania</b>	60	42	14	-	4

<sup>9</sup> Colcap has communicated to Sustainalytics that all the eligible projects adhere to the eligibility criteria of the framework.  
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## Appendix 3: Sustainalytics' Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of the Nominated Projects to determine if they are projects aligned with the use of proceeds eligibility criteria outlined in the Framework.	All projects reviewed (Appendix 2) complied with the use of proceeds eligibility criteria.	None
<b>Project Selection and Management of Proceeds Criteria</b>	Verification of the Nominated Projects to determine if the processes for project selection and management of proceeds were consistent with the Framework.	ColCap has confirmed to Sustainalytics that the processes for project selection and management of proceeds for the Triton 2024-3 Class A1-AU-G green bond tranche are consistent with the commitments described in the Framework.	None

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