



SOUTH AUSTRALIAN GOVERNMENT
FINANCING AUTHORITY (SAFA)

Sustainability Bond Framework

NOVEMBER 2023

SAFA
South Australian Government
Financing Authority



Acknowledgement of Country

We acknowledge and respect Aboriginal peoples as the state's first peoples and nations and recognise them as traditional owners and occupants of land and waters in South Australia. Further, we acknowledge that the spiritual, social, cultural, and economic practices of Aboriginal peoples come from their traditional lands and waters, that they maintain their cultural and heritage beliefs, languages and laws which are of ongoing importance, and that they have made and continue to make a unique and irreplaceable contribution to the state. We acknowledge that Aboriginal peoples have endured past injustice and dispossession of their traditional lands and waters.



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CEO's Foreword

I am pleased to present the South Australian Government Financing Authority's ("SAFA's") Sustainability Bond Framework ("Framework").

This Framework identifies the conditions under which SAFA's borrowings will be used by the Government of South Australia to fund critical programs and services. It outlines the types of investments and expenditures that the state makes to deliver on its environmental, social and governance ("ESG") priorities.

The Framework is consistent with South Australia's ESG Commitments and provides transparency to investors on the use of issuance proceeds, highlighting South Australia's strong ESG credentials supported by its financing activities.

SAFA is committed to contributing to the advancement of best practice in Sustainability Bond issuance and we look forward to our continued engagement with investors on our sustainable financing activities.

A stylized, handwritten signature in black ink, appearing to read 'Anthony'.

Anthony Coates
Chief Executive Officer, SAFA

1. Introduction

1.1 The South Australian Government Financing Authority

The South Australian Government Financing Authority ("SAFA") is the central financing authority for the Government of South Australia ("the government"). SAFA operates a full range of treasury services and transacts in financial markets, managing the government's funding and investment requirements.

SAFA plays an integral role in the overall management of the government's finances and risks, harnessing economies of scale and relevant expertise to provide a range of treasury, insurance, commercial advisory and fleet services to public sector clients. The full range of SAFA's functions are more fully described in its annual reports.¹

Funds raised by SAFA in capital markets are generally on-lent to the government and semi-government authorities. The debt issued by SAFA benefits from a guarantee from the Treasurer of South Australia.

SAFA's Sustainability Bond Framework ("Framework") is presented in the context of the Commonwealth government's commitments to the ambitions of the Paris Agreement and the United Nations Sustainable Development Goals ("UN SDGs") and indicates how funds raised will be mobilised towards those ambitions.

¹ [SAFA Annual Reports](#)

2. The South Australian Vision: Smart. Sustainable. Inclusive

The government's vision is for an economy that is fit for the future, improving the wellbeing of all South Australians. An economy that is smart, sustainable, and inclusive.²

The government has set clear objectives for sustainability and is focused on simultaneously building a climate smart economic base, whilst strengthening adaptation and resilience measures that will best protect South Australia's economy and population from the impact of a changing climate and deliver opportunities for all South Australians.

At the heart of the economic vision for the government is recognition that the global green transition is a transformational opportunity for South Australia and its economy. Acknowledged in the government's vision is the intersection of social, environmental, and economic policy, and the link between prosperous communities and successful economies.

2.1 South Australia's Environmental, Social and Governance (ESG) Commitments³

South Australia's ESG Commitments bring together key policy commitments and actions in progress by the government that address environmental and social challenges.

The ESG Commitments describe how South Australia is responding to climate change. It also describes how the government is continuing to build on a long and proud history of supporting the socioeconomic advancement of South Australians through continued investments and policy reform to ensure all South Australians have access to essential services as the primary provider of education, health, social services and support.

² [SA Government Economic Statement](#)

³ South Australia's ESG Commitments

3. Sustainability Bond Framework

3.1 Rationale for Sustainability Bond Framework

The government declared a Climate Emergency in May 2022⁴, and the publication of this Framework represents a significant step by SAFA in demonstrating alignment of its bond and note proceeds with the government's strategic commitments to address climate change, whilst also supporting its vision of a Smart, Sustainable and Inclusive economy.

The Framework is designed to provide transparency and accountability over the use of SAFA's bond and note proceeds and alignment with market standards. Support for green and social expenditures in the State Budget and the issuance of debt in sustainable format under this Framework will collectively contribute to the government's efforts for a just transition.

In addition to using Sustainability Bonds to help meet budgetary requirements and enable the realisation of green and social projects earmarked for financing in the State Budget, SAFA intends the Framework will:

- Reinforce the commitment South Australia has made to advancing environmental sustainability objectives, in particular climate change mitigation and adaptation, promotion of biodiversity, natural resource conservation and pollution prevention and control.
- Support the achievement of the government's higher social welfare goals with positive social outcomes to support the wellbeing of the South Australian population especially the underprivileged or underserved in our community.
- Demonstrate further the integration of the government's strategic policy objectives and associated actions outlined in its ESG Commitments with SAFA's financing decisions.

MARKET STANDARDS

This Framework has been informed by market standards such as the International Capital Markets Association ("ICMA") Green Bond Principles ("GBP")⁵, Social Bond Principles ("SBP")⁶ and Sustainability Bond Guidelines ("SBG")⁷ (collectively "the Principles") and prepared in accordance with their core components and key recommendations.

CORE COMPONENTS:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

KEY RECOMMENDATIONS:

- Sustainability Bond Framework
- External Review

This Framework may be amended from time to time to reflect market developments, including changes to relevant environmental and social taxonomies, and major updates to the Principles, with the aim of adapting to, and aligning with, best market practices.

⁴ [Climate Emergency Declaration](#)

⁵ [Green Bond Principles 2022 June](#)

⁶ [Social Bond Principles 2023 June](#)

⁷ [Sustainability Bond Guidelines 2021 June](#)

3.2 Use of Proceeds

3.2.1 SCOPE

SAFA intends to notionally allocate an amount equivalent to the net proceeds raised from the issuance of Sustainability Bonds to finance and/or refinance, in whole or in part, green and/or social expenditures that meet the Eligibility Criteria (see 3.2.4) set out in this Framework (“Eligible Expenditures”).

The scope of Eligible Expenditures can include (but is not limited to) any government operating and capital expenditures and assets, particularly those identified through the State Budget. This includes direct and operational expenditures, grants, loans, guarantees, contributions, subsidies, and taxes foregone, physical and/or intangible assets such as the capitalised cost of research and development expenditure, as well as transfers to public or private entities.

The Framework applies government-wide and is aligned with South Australia’s ESG Commitments.

SAFA intends to have a 100% Sustainable bond structure over time which will be achieved by:

- The issuing of any new bond or note under the Sustainable Bond Framework
- Aiming to label existing bonds and notes first issued after 1 July 2018 (inclusive of any future taps of the existing bonds or notes) into a Sustainability bond under the Framework. As such, the Eligible Expenditure pool will remain at any time in excess of the total size of all future and existing SAFA bonds or notes first issued from 1 July 2018.

SAFA intends to issue only Sustainability Bonds where the proceeds are allocated to both green and/or social categories as described in the Eligibility Criteria section below, however the Framework does not preclude SAFA from issuing Green Bonds or Social Bonds separately.

Eligibility Criteria encompasses environmental and social categories upon which the Eligible Expenditures can be considered green and/or social.



3.2.2 ELIGIBILITY WINDOW

Eligible Expenditures are limited to those that occurred in the two financial years prior to issuance (look-back period), the current financial year, and the two financial years following issuance (look-forward period). The lookback period for Eligible Expenditures is limited to operating expenditures of the nature described above.

Bond and note proceeds raised under this Framework will be notionally allocated across multiple Eligibility Criteria for each reporting period within two years of original issuance. A Register of Eligible Expenditures for which bond and note proceeds have been raised will be maintained by SAFA.

3.2.3 ALIGNMENT METHODOLOGY



The government has an established process to report alignment of State Budget expenditure (both operating and capital) with the UN SDGs, and Eligibility Criteria for the categories for the use of bond and note proceeds have been developed with reference to the UN SDGs targets, ICMA, GBP and SBP, and are set out in the table below.

- As part of a suite of ESG initiatives, South Australia has aligned the State Budget expenditures to the UN SDGs goals at a high level by using the Classification of the Functions of Government – Australia (COFOG-A) Framework⁸.
- This UN SDGs COFOG-A alignment is intended to represent the starting point of identification of budget expenses with the UN SDG categories detailed in the Eligibility Criteria categories.

⁸ [Classification of the Functions of Government - Australia](#)



3.2.4 ELIGIBILITY CRITERIA

UN SDGs ⁹	ICMA GBP / SBP Categories	Eligibility Criteria
	Socioeconomic Advancement and Empowerment	<p>Financing of activities that build resilience of people in vulnerable situations and ensure appropriate social protection systems and measures are in place, including:</p> <ul style="list-style-type: none"> • Programmes and services to address homelessness • Delivery of child protection services and programmes • Programmes to support vulnerable children and youth, and people with disabilities <p>Target population: <i>Low income and vulnerable groups, including children and youth¹⁰; People with disabilities; Excluded and/or marginalised populations and communities</i></p>
	<p>Climate Change Adaptation</p> <p>Environmentally Sustainable Management of Living Natural Resources and Land Use</p> <p>Food Security</p>	<p>Financing of programmes that ensure sustainable food production systems and implement resilient agricultural practices to adapt to climate change, including:</p> <ul style="list-style-type: none"> • Programmes that strengthen the capacity of the agricultural sector to adapt to the impacts of climate change, extreme weather and natural disasters¹¹ • Programmes targeting the reduction of food waste <p>Target population: <i>General population; Primary producers; Regional and rural communities</i></p>

⁹ <https://sdgs.un.org/goals>

¹⁰ Vulnerable youth are individuals below the age of 18 from low-income households, living in poverty, homelessness, disability or impairment, domestic violence, engagement with the criminal justice system or mental illness. In some cases, they may also include young people above 18 years.

¹¹ Projects related to industrial scale meat production and industrial-scale livestock management will be excluded.



Access to
Essential
Services

Socioeconomic
Advancement
and
Empowerment

Financing of activities that deliver public health care services, including enhancing access to healthcare services:

- Provision of health services through public hospitals and other funded programmes and services
- Construction, maintenance and/or operation of free and/or subsidised public health care services, including emergency and disease control services
- Provision and distribution of public health care equipment and services including vaccinations, medications and medical equipment to prevent the spread of infectious viruses and diseases
- Research and development relating to human medicine or health
- Educational and vocational training centres for medical, public health and emergency response professionals
- Programmes to improve public access to frontline healthcare workers

Target population: *Universal access to all regardless of ability to pay; Vulnerable groups; Regional and remote populations; Aging populations*





Access to
Essential
Services

Socioeconomic
Advancement
and
Empowerment

Financing of programmes that deliver education or improve educational infrastructure and outcomes, including:

- Provision of public early childhood and school education services
- Provision of public vocational education and training services
- Construction and improvement of facilities such as public schools or other educational or training infrastructure to meet forecast enrolment demand
- Provision of specialised public education services and facilities, including support for disadvantaged students
- Training and professional development for educational professionals
- Educational grants and subsidies for the purchase of materials, services and communication technology
- Projects providing better connectivity to schools in underserved, regional or remote areas
- Programmes strengthening the accessibility of pre-school education programmes Support for education and vocational training programmes

Target population: *Universal access to all regardless of ability to pay; Vulnerable groups; Regional and remote populations, including those with impaired access to education; Students with disabilities*



Socioeconomic
Advancement
and
Empowerment

Financing of activities that improve outcomes for women and girls particularly their safety and security, leadership and participation, economic wellbeing and health, including:

- Programmes providing support and safety for women and their children including ending all forms of violence against women and girls
- Activities that empower women and ensure effective participation, financial stability and equal opportunity in all aspects of society
- Programmes to advance the representation of female leadership in the workforce
- Programmes supporting the representation of female-owned businesses within South Australia

Target population: *Women and girls, including those at risk of harm or who are socially and economically disadvantaged*



Sustainable Water and Wastewater Management

Financing related to the development, construction, acquisition, installation, operation and upgrade of sustainable water management projects, and actions to promote the efficient use of natural water resources, including:

- Construction, maintenance and improvement of public water treatment infrastructure and distribution network, including desalination plants either powered by renewables or the majority decarbonised state grid¹²
- Installation of renewables including solar PV to offset the energy requirements of water treatment and distribution
- Systems and processes that optimise water quality¹³
- Systems, processes and facilities that improve wastewater management and treatment and sanitation management¹⁴

Target population: General population



Renewable Energy

Financing related to the development, manufacturing, construction, expansion, operation, distribution and maintenance of low-carbon and renewable energy, including:

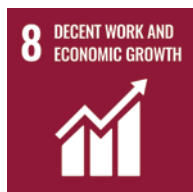
- Development of green hydrogen power generation and storage
- Large-scale renewable energy generation projects (such as wind and solar PV)
- Large-scale battery storage systems
- Grid connection and transmission of renewable energy
- Standalone infrastructure enabling the generation, use and storage of renewable energy in regional and remote areas

Target population: General population

¹² South Australia's state grid is decarbonising at a rapid pace with Net zero targets in place.

¹³ Water quality systems and equipment with sole application in hard-to-abate and fossil fuel industries will not be eligible.

¹⁴ Eligible wastewater treatment facilities will exclude the treatment of wastewater from any fossil fuel operations.



Employment
Generation

Socioeconomic
advancement
and
empowerment

Financing of projects that promote local economic growth and employment generation, including:

- Financial assistance to support business investment and employment generation
- Programmes supporting the economic inclusion of indigenous people and communities, as well as other disadvantaged groups
- Support for South Australian businesses and organisations impacted by socioeconomic crisis

Target population: *General population, Unemployed and underemployed, Aboriginal people, Youth*



Employment
Generation

Affordable Basic
Infrastructure

Financing of projects that promote inclusive and sustainable industrialisation and foster innovation through collaboration, including:

- Programmes that support economic diversity and the green transition
- Initiatives that support collaborative R&D, venture investment and scale-up of emerging technologies

Target population: *General population; Unemployed*



Socioeconomic
Advancement
and
Empowerment

Financing of programmes that reduce inequalities and promote social and economic inclusion, including:

- Programmes designed to reduce inequities in socio-economic outcomes between individuals and sectors of society
- Programmes that support achievement of the National Agreement on Closing the Gap¹⁵ in Indigenous disadvantage
- Assistance to non-profit organisations operating in the field of social promotion programmes, projects and actions

Target population: *Aboriginal People; Disadvantaged populations; Regional/ marginalised communities*

¹⁵ closingthegap.gov.au



Clean
Transportation

Affordable
Housing

Access to
Essential
Services

Environmentally
Sustainable
Management of
Living Natural
Resources and
Land Use

Green Buildings

Financing of projects that support the development of clean transportation and expand or maintain access to affordable, accessible and sustainable mass passenger transport systems and related infrastructure, including:

- Electric and fuel cell vehicles, plus dedicated charging and alternative electric fuel infrastructure
- Electrified public transport including infrastructure, rolling stock and vehicles
- Public walking and cycling infrastructure
- Discount fees for public transport services for students, unemployed people, disabled people, veterans
- Infrastructure supporting increased public transport use, including the development of road infrastructure in areas that lack connectivity, or in areas lacking access to key social infrastructure (e.g. schools, healthcare)

Target population: *General population; Disadvantaged populations; Unemployed; Disabled people; Veterans; Regional/ marginalised communities*

Financing related to projects that ensure access to affordable housing:

- Development and management of social and affordable housing, including maintenance, upgrades and refurbishments
- Financial assistance to lower the barrier for home ownership

Target population: *Low-to-Moderate Income Earners; Vulnerable groups*

Financing of activities to promote sustainable urbanisation and the protection of cultural and natural heritage:

- Programmes to adapt the built environment in line with green building standards
- Programmes associated with local disaster risk reduction
- Conservation of cultural and natural heritage
- Protection of open space for public use, regardless of ability to pay¹⁶

Target population: *General population; Regional/ marginalised communities*

¹⁶ Financing of associated carparks and roads will be excluded.



Pollution Prevention and Control

Circular Economy Adapted Products, Production Technologies and Processes

Financing related to investments in technology and related services to create a sustainable environment through reduction of environmental pollution, including:

- Waste prevention, reduction, recycling and reuse
- Identification and remediation of contaminated sites
- Eliminating or significantly mitigating environmental pollutants in water, air, and soil

Target population: *General population*



Climate Change Adaptation

Pollution Prevention and Control

Financing of adaptation projects that demonstrably contribute to reducing vulnerability to climate change and the reduction of carbon emissions, such as:

- Natural disaster prevention infrastructure and monitoring systems (e.g. bushfire management, flood mitigation) and investment in emergency services
- Projects to address the damage caused by natural disasters
- Investments in data, technology and education programmes to increase awareness and knowledge on climate related issues
- Measures that reduce carbon emissions
- Measures that protect and build resilience in the natural environment

Target population: *General population*

In the event that SAFA seeks Climate Bond Initiative (CBI) certification for a green bond, the proceeds will comply with the relevant Climate Bond Taxonomy and Climate Bond Standard sector criteria. Further SAFA may consider CBI certification of assets separately from CBI bond certification¹⁷.

In addition, infrastructure projects rated under the Infrastructure Sustainability Council's IS Rating Scheme (or an equivalent recognised scheme) will be considered for inclusion.

¹⁷ [asset_certification_guidance_brochure.pdf\(climatebonds.net\)](#)



Environmentally Sustainable Management of Living Natural Resources and Land Use

Terrestrial and Aquatic Biodiversity

Financing of projects managing and protecting the marine and coastal ecosystems, including:

- Conservation, restoration and sustainable management of coasts/ beaches and marine biodiversity
- Establishment of protected areas or national parks

Target population: *General population*



Environmentally Sustainable Management of Living Natural Resources and Land Use

Terrestrial and Aquatic Biodiversity

Financing of projects that promote the implementation of sustainable management of lands:

- Restoration of parks, land and natural habitats
- Measures to prevent the introduction and significantly reduce the impact of invasive species on land ecosystems

Target population: *General population*

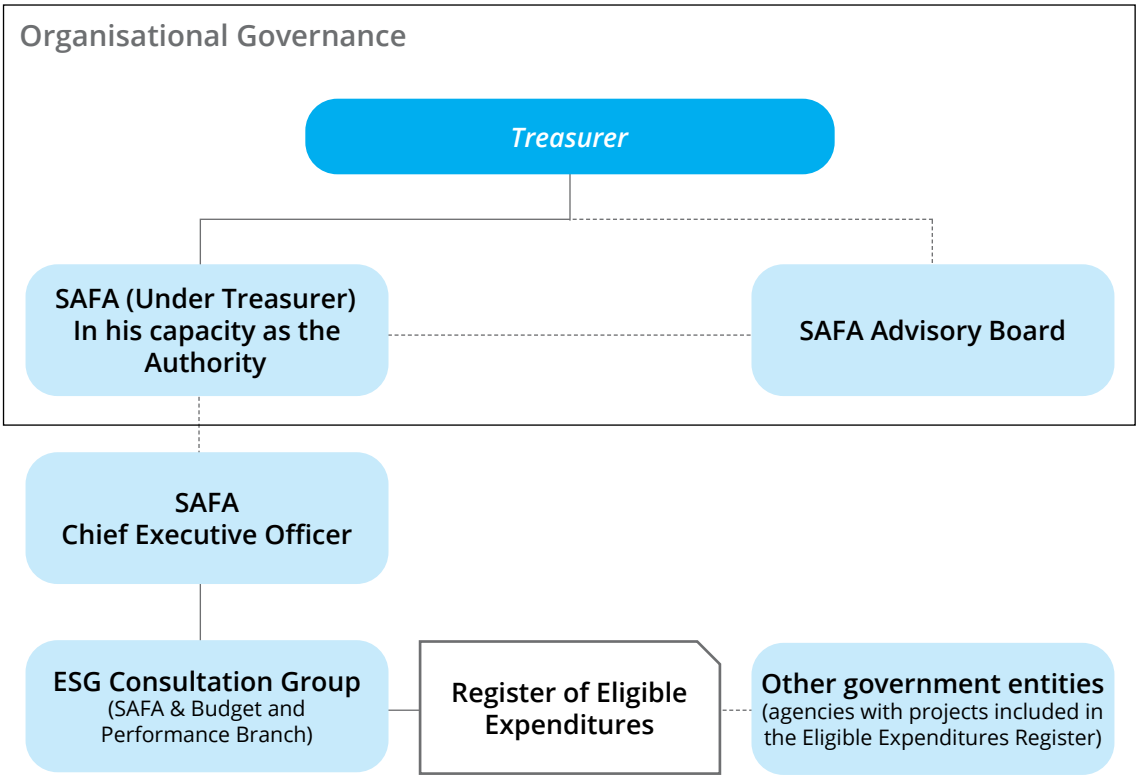
3.2.5 EXCLUSIONS

In recognition of South Australia's commitment to established ESG practices, expenditure in relation to the following activities, which knowingly or are likely to cause significant negative social or environmental impacts, will be excluded from qualifying categories. Categories include (but are not limited to) exploration and production of fossil fuels, alcohol, defence, gambling and tobacco.

3.3 Process for Project Evaluation and Selection

3.3.1 GOVERNANCE

The figure below outlines governance of the government’s Sustainability Bond Framework.



SAFA, in collaboration with agencies, will form and maintain a register of Eligible Expenditures (the “Register”) as defined by this Framework.

An ESG Consultation Group (“Consultation Group”) has been established to provide across-government advice to SAFA on the selection and ongoing monitoring of the pool of government activities included in the Register.

The Consultation Group meets on a quarterly basis, is chaired by SAFA and comprises senior officers from SAFA and Budget & Performance Branch.

SAFA provides secretariat support to the Consultation Group, as well as leading the development of annual reporting that will be primarily directed to SAFA’s bond and note holders, investors, and other financial market participants.

The Register will be formed and monitored via the process described below:



3.3.2 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

South Australia has a robust process in place in assessing the environmental and social risks of the Eligible Expenditures considered for the programme. The prevailing policy and regulatory environment of the state pertaining to environmental and social risk mitigation are equally applicable to the categories of Eligible Expenditures detailed in this Framework.

Enshrined in legislation, regulatory examples include but are not limited to the State's *Environmental Protection Act 1993*, *South Australian Water Corporation Act 1994*, *Plastic Shopping Bags (Waste Avoidance) Act 2008*, *Disability Inclusion Act 2018*, *Pastoral Land Management and Conservation Act 1989*.

3.4 Management of Proceeds

All individual Sustainability Bonds issued by SAFA will be in accordance with the use of proceeds described above (see 3.2) and will have a notional amount at least equivalent to the net proceeds of each bond and note issuance allocated and SAFA will ensure the appropriate assets/expenditures are earmarked and monitored accordingly.

The net proceeds of bonds and notes issued under the Framework will be notionally allocated against the pool of Eligible Expenditures within two financial years from the date of issuance.

SAFA will track the Eligible Expenditures to ensure the following:

- Review state expenditures for their inclusion in the Register of Eligible Expenditures.

- Prior to allocation of the Sustainability Bond proceeds SAFA will temporarily invest an amount at least equivalent to the balance of unallocated proceeds in the form of:
 - Cash, or cash equivalent instruments such as short-term money market instruments;
 - Other investments which do not fall under the Exclusions mentioned in section 3.2.5 and
 - Application of unallocated balance to reduce temporarily the indebtedness of a revolving nature prior to being redrawn for investments or disbursements toward the Eligible Expenditures.
- Operating under a portfolio approach, at all times, SAFA will endeavour to ensure that the total pool of Eligible Expenditures is greater than the net proceeds from the total volume of Sustainability Bonds issued.



3.5 Reporting and Transparency

SAFA recognises the importance investors place on transparency and disclosure relating to this Framework and intends to publish an annual Sustainability Bond Allocation and Impact Report covering all Sustainability Bonds issued under this Framework, including the Eligible Expenditure allocation, and available impact metrics / data set outlined below.

The first Allocation and Impact Report is intended to be published within 12 months of issuance or labelling, and is expected to be published on an annual basis thereafter.

3.5.1 ALLOCATION REPORTING

The Sustainability Bond Allocation and Impact report may include:

- Amount of net proceeds raised;
- Balance of unallocated net proceeds at relevant reporting date;
- Total amount of net proceeds allocated per eligible category.
- Share of refinancing;
- An example list of funded projects; and
- Show alignment to material State Budget funded initiatives that appear in the current forward estimates with the SDG.

3.5.2 IMPACT REPORTING

Within its Sustainability Bond Allocation and Impact Report, SAFA will publish impact metrics aiming to provide transparent information on the environmental and/or social impacts that might reasonably be attributed to the use of allocated bond and note proceeds on a best effort basis when relevant and feasible. SAFA intends to align with the reporting recommendations as outlined in ICMA's "Handbook – Harmonized Framework for Impact Reporting (June 2023)"^{18,19}. SAFA will endeavour to report on relevant metrics which may include:

- Project category, project description including expected impact of the projects; and
- Where relevant, output, outcome and/or impact generated from the Eligible Expenditures based on the pro-rata share of the state's financial contribution to the project's total expenditure.

¹⁸ [ICMA Handbook: GBP Harmonized Framework for Impact Reporting 2023 June](#)

¹⁹ [ICMA Handbook: SBP Harmonized Framework for Impact Reporting 2023 June](#)

Example of non-exhaustive potential indicators and metrics to include when reporting on the Sustainability Bond Programme:

UN SDGs Contribution	ICMA GBP/ SBP Categories	Examples of output, outcome and/or impact indicators
  	<p>Socioeconomic Advancement and Empowerment</p> <p>Affordable Housing</p> <p>Employment Generation</p>	<ul style="list-style-type: none"> • Number of people who received support services from a Specialist Homelessness Services • Proportion of people living with a disability that require more formal assistance than they are currently receiving • Labour force participation of people with a disability • % of children in out-of-home care who identify as Aboriginal and/or Torres Strait Islander • Aboriginal and Torres Strait Islander home ownership rate
	<p>Access to Essential Services</p> <p>Socioeconomic Advancement and Empowerment</p>	<ul style="list-style-type: none"> • % of children fully immunised at age 12 months • % of low birthweight babies • % of adults reporting high or very high psychological distress • % of South Australian's reporting good overall wellbeing • % of ambulance service responses occurring within time target
	<p>Access to Essential Services</p>	<ul style="list-style-type: none"> • Number of children in early childhood education and care services • % of students achieving the national minimum standard in reading, writing and numeracy • Student attendance rates • Year 12 and 13 SACE completion rate • % of apprentices and trainees completing their training contract • % of government funded VET graduates who improved their employment circumstances after training



Renewable Energy

- GHG emissions reduced/avoided in tCO₂ -e per annum.
- Annual renewable energy generation in MWh/ GWh and GJ/TJ measurements.
- Annual investment and investment initiatives into the category AUD\$.
- Renewables share (%) of electricity generation



Clean Transportation

Affordable Basic Infrastructure

Pollution Prevention and Control

- GHG emissions reduced/avoided in tCO₂ -e per annum.
- Portion of wastewater recycled.
- Number of EV charging stations.
- Tonnes of all waste generated in South Australia diverted from landfill.
- Terrestrial protected areas in hectares.
- Percentage of SA Waters protected.

3.6 External Reviews

3.6.1 SECOND PARTY OPINION ON THE FRAMEWORK

In line with current market standards, prior to the first issue under the Framework, SAFA has obtained a Second Party Opinion from Sustainalytics to confirm alignment with the Principles.

Any material updates to the Framework are expected to be covered by an updated Second Party Opinion as required.

3.6.2 OTHER EXTERNAL VERIFICATION

Following the first issue of a Sustainability Bond, SAFA intends to carry out an annual review confirming the amount of proceeds allocated to the Eligible Expenditures as well as the amount remaining to be allocated if any. SAFA will engage an independent and appropriately qualified external reviewer to provide assurance in connection with each Sustainability Bond Allocation and Impact report as well as compliance with the Eligibility Criteria set out in this Framework.

The Sustainability Bond Allocation and Impact report, together with the external assurance report, will be made public on SAFA website.



4. Disclaimer

The information presented in this Sustainability Bond Framework is for information purposes only. It is not a substitute for financial, environmental, and social due diligence and the obligation to conduct any due diligence remains with the investor.

This document is not an information memorandum or securities offering document and it does not constitute an offer, solicitation, inducement, recommendation, or invitation to subscribe for, purchase, hold or sell any sustainability instruments or notes or any other instruments issued or to be issued by SAFA. It may not be sent or disseminated directly or indirectly in any jurisdiction in which it is unlawful to so send or disseminate and may not be sent or given to any person to whom it is unlawful to be so given. In particular, any securities may not be offered or sold in the US or to, or for the account or benefit of, US persons (as defined in regulation S under the US Securities Act) unless exempt from, or not subject to, the registration requirements of the US Securities Act.

SAFA does not make, and does not intend to make, any representation or give any assurance with respect to SAFA's Sustainability Bond Framework, in relation to the sustainability instruments or any other notes or instruments and in relation to actual environmental or social impacts.

SAFA is not responsible and cannot and does not give any assurance for any information or guidelines published or provided by any second party opinion provider or any external assurance providers even where referred to in this SAFA Sustainability Bond Framework.

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SOUTH AUSTRALIAN GOVERNMENT
FINANCING AUTHORITY (SAFA)

Sustainability Bond Framework

NOVEMBER 2023

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