

OFFICIAL

**NOTICE TO HOLDERS
LABELLING OF EXISTING BONDS**

From: South Australian Government Financing Authority (ABN 75 277 967 856)

To: Each Holder of a Bond described in Schedule 1 below

Copy: Link Market Services Limited (ABN 54 083 214 537)

Date: 2 February 2024

**South Australian Government Financing Authority (“Issuer”)
Domestic Wholesale A\$ Bond Programme (“Programme”)**

1. We refer to each Series of Bonds issued by the Issuer under the Programme as set out in the Schedule to this notice (the “**Bonds**”).
2. The Issuer has determined that each Series of Bonds are Sustainability Bonds in accordance with the Issuer’s Sustainability Bond Framework dated November 2023 (as amended from time to time) (the “**Sustainability Bond Framework**”) which is available on the website of the Issuer at <https://www.safa.sa.gov.au/>
3. Notwithstanding that the Sustainability Bond Framework post-dates the Series of Bonds, the net proceeds of the Bonds have been notionally allocated to eligible expenditures.
4. The Issuer confirms that all of the Bonds have been informed by the International Capital Markets Association’s (“**ICMA’s**”) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (collectively “**the Principles**”) and prepared in accordance with their core components and key recommendations. The Principles are voluntary process guidelines accepted as one of the main guidelines for issuance of green, social, or sustainability bonds in the capital markets globally. In particular, and at all times, sufficient eligible assets have covered an amount equal to the net proceeds of all of the Bonds.
5. Further information is set out in Schedule 2 to this notice.
6. If you have any questions, please do not hesitate to contact the **Head of Financial Markets and Client Services** by email at dldtfsafaclientservices@sa.gov.au

South Australian Government Financing Authority

SCHEDULE 1

BONDS

ISIN	Description of the Bonds	Terms and Conditions
AU3FN0065520	AONIA +0.17% 10 June 2025	Information Memorandum: 11 September 2020 Pricing Supplements: 20 December 2021 10 March 2022 12 April 2022 10 May 2022 16 August 2022 15 December 2022
AU3SG0002736	AONIA +0.31% 15 June 2027	Information Memorandum: 11 September 2020 Pricing Supplements: 7 December 2022 27 February 2023 28 February 2023 16 March 2023 21 June 2023 29 June 2023
AU3SG0001837	3.00% Fixed 24 May 2028	Information Memorandum: 14 August 2015 Pricing Supplements: 9 July 2018 20 November 2018 14 April 2020 28 September 2020 29 August 2022
AU3SG0002843	AONIA +0.36% 22 June 2029	Information Memorandum: 11 September 2020 Pricing Supplements: 28 August 2023
AU3SG0001902	2.75% Fixed 24 May 2030	Information Memorandum: 14 August 2015 Pricing Supplements: 18 February 2019 15 November 2019 14 April 2020 12 April 2021 17 May 2021 6 December 2021 11 April 2022 2 August 2022 21 October 2022
AU3SG0002058	1.75% Fixed 24 May 2032	Information Memorandum: 14 August 2015 Pricing Supplements: 18 February 2020 14 April 2020 10 August 2020

ISIN	Description of the Bonds	Terms and Conditions
		27 May 2021 2 August 2023
AU3SG0002447	1.75% Fixed 24 May 2034	Information Memorandum: 11 September 2020 Pricing Supplements: 18 February 2021 27 January 2022 7 February 2022 5 July 2023
AU3SG0002520	2.00% Fixed 23 May 2036	Information Memorandum: 11 September 2020 Pricing Supplements: 19 July 2021 15 July 2022
AU3SG0002751	4.75% Fixed 24 May 2038	Information Memorandum: 11 September 2020 Pricing Supplements: 16 February 2023 3 November 2023
AU3SG0002298	2.25% Fixed 24 May 2040	Information Memorandum: 14 August 2015 Pricing Supplements: 3 September 2020 3 September 2020 8 September 2020 30 September 2020 9 October 2020 19 October 2020 17 November 2020 19 March 2021 18 May 2021 29 October 2021 3 November 2021 2 December 2021 22 February 2022 19 May 2022 29 June 2023 13 July 2023 5 September 2023 5 September 2023 25 September 2023

SCHEDULE 2

All Bonds are managed in accordance with the Issuer's Sustainability Bond Framework dated November 2023 (as amended from time to time) (the "**Sustainability Bond Framework**") which is available on the website of the Issuer at <https://www.safa.sa.gov.au/>

The net proceeds of the Bonds have been notionally allocated towards financing and/or refinancing, in whole or in part, green and/or social expenditures that meet the Eligibility Criteria set out in the Sustainability Bond Framework (the "Eligible Expenditures"). The Eligible Expenditures for the labelling of the Bonds include hospitals, water infrastructure, public housing, and primary and secondary schools.

Market Standards

The Issuer's Sustainability Bond Framework has been informed by market standards such as the International Capital Markets Association's ("**ICMA's**") Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (collectively "**the Principles**") and prepared in accordance with their core components and key recommendations. The core components are use of proceeds, process for project evaluation and selection, management of proceeds and reporting.

External Review

The Issuer has obtained:

- a limited assurance from an independent assurer Ernst & Young ("**EY**"); and
- a second party opinion from an independent second party opinion provider.

The assurer, EY, reviewed the Issuer's Bonds first issued from 1 July 2018 and their associated asset pool(s) ("**Eligible Expenditure**"), and the information relating to the assets identified as being Eligible Expenditure and concluded that:

- following their limited assurance engagement as defined by Australian Auditing Standards, nothing came to their attention that caused them to believe the subject matter of their review for the limited assurance had not been prepared, in all material respects with: -
 - . ICMA's Social Bond Principles
 - . ICMA's Green Bond Principles
 - . ICMA's Sustainability Bond Guidelines; and
 - . the Issuer's Sustainability Bond Framework.

The limited assurance has been made publicly available on the Issuer's website <https://www.safa.sa.gov.au/>

Reporting

The Issuer recognises the importance investors place on transparency and disclosure relating to the Sustainability Bond Framework and intends to publish an annual Sustainability Bond Allocation and Impact Report covering all Sustainability Bonds issued under this Framework.

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

The Issuer's Sustainability Bond Allocation and Impact Report may include:

- an amount of net proceeds raised;
- the balance of unallocated net proceeds at relevant reporting date;
- the total amount of net proceeds allocated per eligible category;
- a share of refinancing;
- an example list of funded projects; and
- showing an alignment to material State Budget funded initiatives that appear in the current forward estimates to the relevant Sustainable Development Goals (“SDGs”) that have been established by the United Nations.

Within its Sustainability Bond Allocation and Impact Report, the Issuer 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.

The Issuer 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.

No Event of Default

If:

- the Issuer fails to deploy the proceeds of the Bonds as described above or in accordance with the Sustainability Bond Framework;
- the Issuer fails to comply with the Sustainability Bond Framework;
- the Issuer undertakes non-eligible projects outside of the Sustainability Bond Framework;
- the Bonds cease to satisfy the Principles; and/or
- the Issuer fails to notify Holders that the Bonds cease to comply with the Sustainability Bond Framework,

then:

- no Event of Default or any other default or breach (howsoever described) under or of the Conditions of the Bonds will occur; and
- neither the Holders nor the Issuer will be able to exercise any right to redeem the Bonds prior to their Maturity Date.

The Issuer's obligations under the Bonds are not affected by the labelling of the bonds as Sustainability Bonds, and any breach of the Bonds (including in relation to non-compliance with any laws, directives, and consents, whether environmental or otherwise) is to be determined without regard to any such label or the Sustainability Bond Framework.

If any of the above scenarios occur or if market practices, standards, principles or regulations further develop in a way that is inconsistent with the labelling of the Bonds, then the Bonds may cease to be labelled as Sustainability Bonds but will remain unsecured, unsubordinated fixed / floating rate bonds of the Issuer, and the Issuer will make a public statement as such. On and from that point in time, the Sustainability Bond Framework will no longer be relevant to the use of proceeds of the Bonds and there is no legal obligation on the Issuer to comply with the Sustainability Bond Framework on an ongoing basis.