



**KESTREL**  
VERIFIERS™

## VERIFIER'S REPORT SUMMARY

**Issuer:** Oberlin College  
**Bond Issuance:** Taxable Bonds, Series 2021A (Green Bonds – Climate Bond Certified)  
**Sector Criteria:** Low Carbon Buildings  
**Evaluation Date:** June 9, 2021

Kestrel Verifiers finds that the Oberlin College's ("the College" or "Oberlin") Taxable Bonds, Series 2021A (Green Bonds – Climate Bond Certified) ("Series 2021A Bonds") conform with the Climate Bonds Standard (V3.0).

### Use of Proceeds

The Series 2021A Bonds will partially finance Oberlin's Sustainable Infrastructure Program ("SIP") that is expected to reduce campus greenhouse gas ("GHG") emissions by 66%. Projects to be financed include energy conservation measures, conversion of the campus steam system to hot water, and installation of a geothermal heat pump.

### Process for Project Evaluation and Selection

The campus infrastructure projects to be financed by the Series 2021A Bonds are primarily guided by Oberlin's goal to reach campus carbon neutrality by 2025. In Kestrel's view, the community engagement and strategic evaluation of nine unique paths to efficiency improvements and emission reductions illustrate Oberlin's holistic approach to sustainability planning.

### Management of Proceeds

Proceeds will solely be allocated to financing facilities that are critical to the success of the SIP and to finance costs of issuance. Upon closing, proceeds will be allocated to a separately managed account and allocation of proceeds will be overseen by the Office of Finance and Administration.

### Reporting

Oberlin will provide updates on project activity and annual financial statements on its website. Oberlin also plans to report on the continued reduction in campus GHG emissions and sustainability goal achievements. Kestrel Verifiers will provide one post-issuance report.

### Impact and UN SDGs

By upgrading infrastructure to reduce energy and water use and implementing long-term sustainability plans, the Series 2021A Bonds advance multiple United Nations Sustainable Development Goals ("UN SDGs"), including 7: *Affordable and Clean Energy*, 9: *Industry, Innovation and Infrastructure*, 11: *Sustainable Cities and Communities*, 12: *Responsible Consumption and Production*, and 13: *Climate Action*.

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# VERIFIER'S REPORT

**Issuer:** Oberlin College  
**Issue Description:** Taxable Bonds, Series 2021A (Green Bonds – Climate Bond Certified)  
**Project:** Sustainable Infrastructure Program  
**Standard:** Climate Bonds Standard (Version 3.0)  
**Sector Criteria:** Low Carbon Buildings – Upgrade Projects  
**Par:** \$80,625,000  
**Evaluation Date:** June 9, 2021

## CLIMATE BONDS VERIFIER'S REPORT

Oberlin College (“the College” or “Oberlin”) is issuing Taxable Bonds, Series 2021A (Green Bonds – Climate Bond Certified) (“Series 2021 Bonds”) to finance a portion of the campus’s Sustainable Infrastructure Program.

This Verifier’s Report reflects Kestrel Verifiers’ view of Oberlin’s projects and financing, allocation and oversight, and conformance of the Series 2021A Bonds with the Climate Bonds Standard (V3.0), and the *Low Carbon Buildings* Criteria. In our opinion, the Series 2021A Bonds are aligned with the internationally accepted Climate Bonds Standard and the *Low Carbon Buildings* Criteria.

## ABOUT THE ISSUER

Oberlin College and Conservatory (“Oberlin” or the “College”) is a private higher education institution located 35 miles southwest of Cleveland in Oberlin, Ohio. The College was founded in 1833 and is the oldest coeducational liberal arts college in the US. The College offers a four-year bachelor’s program in the College of Arts and Sciences and the Conservatory of Music, and a five-year double degree program for both a Bachelor of Arts degree and a Bachelor of Music degree. The Conservatory of Music also offers a master’s degree program. In fall of 2020, Oberlin employed 353 faculty and enrolled 2,658 students.

For over two decades, Oberlin has strived to become a greener college campus. In 2000, Oberlin demonstrated leadership by building one of the first innovative green buildings on a US college campus. Today, Oberlin has six LEED-certified campus buildings. In 2006, the College signed the College & University Presidents’ Climate Commitment to reduce greenhouse gas (“GHG”) emissions with the goal of reaching carbon neutrality by 2025. To support this goal, the College completed the first GHG emissions inventory in 2007 and installed a 10-acre solar array—among the largest solar arrays on a liberal arts college campus in the US. In partnering with an electrical utility, the College has obtained a green electrical grid providing the campus with 100% renewable energy. Oberlin has a Gold Rating on the Sustainability Tracking, Assessment and Rating System (STARS) and received the Encouraging Environmental Excellence award from Ohio EPA at the Silver Level.

Oberlin is committed to becoming a carbon neutral campus by 2025 and continues to incorporate sustainable design to benefit the campus and local communities. To engage with community stakeholders during planning processes, the College frequently shares educational resources on sustainability initiatives with students, faculty, and the community. Creating a green campus has also been impactful on college curriculum by providing internships, lectures, and events for students.

## ALIGNMENT TO CLIMATE BONDS STANDARD AND CERTIFICATION SCHEME



Oberlin engaged Kestrel Verifiers to provide an independent verification on the alignment of the Series 2021A Bonds with the Climate Bonds Standard (V3.0) and Certification Scheme, and the *Low Carbon Buildings – Upgrade Projects* Sector Criteria. The Climate Bonds Initiative (the “CBI”) administers the Standard and Sector Criteria. Additionally, Kestrel Verifiers has examined alignment of the Series 2021A Bonds with the United Nations Sustainable Development Goals (“UN SDGs”).

Kestrel Verifiers is a Climate Bonds Initiative Approved Verifier. The Kestrel review team included environmental scientists. We performed a Reasonable Assurance engagement to independently verify that the bonds meet, in all material respects, relevant criteria.

For this engagement, Kestrel Verifiers reviewed the College’s Green Bond Framework and relevant plans. We examined public and non-public information and interviewed the College’s sustainability contractor and members of the College’s Office of Finance and Administration, Office of Environmental Sustainability, management and finance teams. Our goal was to understand the planned use of proceeds, procedures for managing proceeds, and plans and practices for reporting in sufficient detail to verify the bonds.

### Verifier’s Responsibilities

Kestrel Verifiers’ responsibilities for confirming alignment of the Series 2021A Bonds with the Climate Bonds Standard and *Low Carbon Buildings* Sector Criteria include:

- assess and certify Oberlin’s internal processes and controls, including the selection process for projects and assets, internal tracking of proceeds, and the allocation system for funds;
- assess policies and procedures established by Oberlin for reporting;
- assess the readiness of Oberlin to meet the Climate Bonds Standard (V3.0) and *Low Carbon Buildings* Sector Criteria; and
- express a Reasonable Assurance conclusion.

### Relevant Climate Bonds Sector Criteria and Other Standards

The Series 2021A Bonds align with the Climate Bonds Standard (V3.0) and *Low Carbon Buildings* Sector Criteria.

## Assurance Approach

Kestrel Verifiers' responsibility is to conduct a Reasonable Assurance engagement to determine whether the Series 2021A Bonds meet, in all material respects, the requirements of the Climate Bonds Standard. Our Reasonable Assurance was conducted in accordance with the Climate Bonds Standard (V3.0) and the *International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Kestrel Verifiers has relied on information provided by the College. There are inherent limitations in performing assurance, and fraud, error or non-compliance may occur and not be detected. Kestrel Verifiers is not responsible or liable for any opinions, findings or conclusions within the information provided by the College that are incorrect. Our assurance is limited to the College's policies and procedures in place as of June 2021. The distribution and use of this verification report are at the sole discretion of the College. Kestrel Verifiers does not accept or assume any responsibility for distribution to any other person or organization.

## Use of Proceeds and Conformance to Sector Criteria

Proceeds of the Series 2021A Bonds will partially finance key features of Oberlin's Sustainable Infrastructure Program ("SIP") that are expected to significantly reduce campus GHG emissions and water use. The SIP will also be partially financed through College sources and the pursuit of tax credits, grants, and other potential alternate sources.

The Series 2021A Bonds will finance activities that directly advance a transition to carbon neutrality and various information technology and electrical system projects. Projects fall in four main areas which affect buildings and infrastructure across the campus:

1. Significantly improve the efficiency of buildings and energy systems across campus
2. Replace the existing steam distribution system with a hot water system
3. Convert existing boiler plant (central plant) for use with geothermal energy
4. Install and integrate a geothermal energy source

It is expected that the projects will be completed in four years, with construction beginning in 2021.

SIP goals are multi-faceted. While Oberlin's primary objective is to directly reduce their impact on natural resources, Kestrel's evaluation revealed multiplicative effects. Oberlin's SIP is designed to provide a roadmap for other college and university campuses, maximize learning opportunities for students, and integrate the surrounding community in the infrastructure upgrades. As a result, benefits of the SIP are experienced far beyond the boundaries of Oberlin's campus.

## Energy Conservation Measures

Reducing campus energy demand is central to achieving Oberlin's climate action goals. Energy and water conservation measures to be implemented in multiple buildings include lighting controls, kitchen ventilation controls, low-flow water fixtures, HVAC replacements, ventilation upgrades, window replacements, and heat recovery ventilators. In Oberlin's 2016 Carbon Neutrality Master Plan, it was estimated that cost savings from improved efficiency would offset investment in the features in approximately 11 years. The conservation measures are expected

to improve campus energy efficiency by 30%, reduce water use by more than five million gallons per year, and reduce sewer discharge by more than four million gallons per year.

### **Steam System Conversion**

Oberlin's steam distribution system was constructed in 1913 and requires significant repairs. The Series 2021A Bonds will include these upgrades, while also advancing climate change mitigation goals and increasing system redundancy. By converting the system to use hot water instead of steam, Oberlin will significantly improve efficiency of campus heating and cooling systems. The conversion also offers increased versatility in integration of alternative energy sources.

### **Geothermal**

The Series 2021A Bonds will finance installation of a ground source heat pump as an alternative energy source. These systems consist of horizontal wells with closed loop pipes that provide energy exchange with the ground. Because the ground remains at a relatively constant temperature throughout the year, it can be used as a heat source in the winter and a heat sink in the summer. In winter months, heat is captured from the surrounding soil and drawn into buildings for heating. In summer months, excess heat is removed from buildings through the heat pump. These systems are also referred to as "geothermal heat pumps" or "water-source heat pumps."

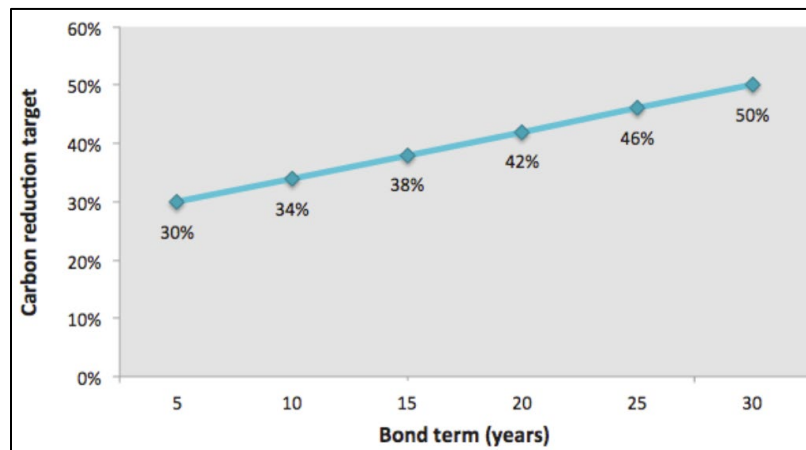
### **Sector Criteria**

#### Low Carbon Buildings – Upgrade Projects Criteria

Oberlin's bond-financed activities align with the CBI *Low Carbon Buildings – Building Upgrades* Sector Criteria for Commercial Buildings. The mitigation component of the Criteria varies for commercial and residential buildings and depends on the tenor of the bonds. Under Relative Performance Improvements, projects must meet minimum improvements as shown in Figure 1. For the 30-year maturity on the Series 2021A Bonds, the Criteria establish an emissions reduction target of 50%.

Oberlin's Sustainable Infrastructure Program is expected to exceed the carbon emission reduction targets for the term of the bonds. As a result of the projects to be partially financed with bond proceeds, CO<sub>2</sub>e emissions will be reduced by **66%**. Current (2021) annual campus emissions (14,698 tCO<sub>2</sub>e) will decrease to 5,000 tCO<sub>2</sub>e after construction completion. These projects meet sector eligibility criteria based on the projected emission reductions.





**Figure 1. CO<sub>2</sub> Emission Targets for Commercial Buildings - Building Upgrades**

Source: Appendix 1, Climate Bonds Standard – Low Carbon Buildings Criteria Version 1.0

## Process for Project Evaluation and Selection

The campus infrastructure projects to be financed by the Series 2021A Bonds are primarily guided by Oberlin’s goal to reach carbon neutrality on campus by 2025. To identify the most effective approach to reach this goal, many stakeholders and a consultant were engaged to design and evaluate scenarios. In Kestrel’s view, the community engagement and strategic evaluation of nine unique paths to efficiency improvements and emission reductions illustrate Oberlin’s holistic approach to sustainability planning.

Oberlin’s formal commitment to reducing greenhouse gas emissions and environmental impact originated in 2004 with the College’s Comprehensive Environmental Policy. Since then, various initiatives and planning cycles have steered Oberlin to the current SIP:

- 2012:** Initiation of “From Coal to Carbon Neutrality” campaign designed to expand campus- and community-wide dialogue to reach net zero while optimizing transparency and educational opportunities
- 2016:** Establishment of the Board of Trustee Carbon Neutrality Subcommittee of Capital Planning Committee  
Completion of Carbon Neutrality Program Master Plan, Implementation Strategy, and Financial Approach
- 2017:** Community engagement to integrate low-carbon energy options into local community (City of Oberlin)
- 2019:** Board of Trustees approval of conversion of a steam distribution system
- 2020:** Board of Trustees approval of SIP financial approach
- 2021:** Board of Trustees approval of geothermal as energy system in the SIP

Primary decision-makers include the College’s Board of Trustees, Capital Planning Committee, Carbon Neutrality Subcommittee, and student organizations. Local government and nonprofit representatives, churches, and the Oberlin City Manager have all contributed to shaping project scope, goals, and characteristics.

## Management of Proceeds

Proceeds from the Series 2021A Bonds will solely be allocated to financing facilities that are critical to the success of the Sustainable Infrastructure Program. A portion of proceeds will also be allocated to finance costs of issuance. Upon closing, proceeds will be allocated to a separately managed account and allocation of proceeds will be overseen by the Office of Finance and Administration. Before allocation to eligible projects and activities, proceeds may temporarily be held in conservative investments. In Kestrel's opinion, the temporary investments are not associated with negative social impacts and do not limit the transition to a low carbon and climate resilient economy. Full allocation of proceeds is expected to occur within 24 months of issuance.

## Reporting

Oberlin intends to report on the allocation of proceeds, overall project status, and associated emission reductions. It is expected that this information will be included for investors in future Sustainability Reports which will be publicly available on Oberlin's website. Updates on project activity and construction progress are regularly posted on this website: [carbonneutral.oberlin.edu/resources/activityupdates/](https://carbonneutral.oberlin.edu/resources/activityupdates/). Oberlin posts its annual financial statements which include management discussion and analysis on its own website: <https://www.oberlin.edu/>.

Additionally, in accordance with the Climate Bonds Standard, Kestrel Verifiers will be engaged to provide one Post-Issuance Report within 24 months of issuance to confirm continued conformance of the Series 2021A Bonds with the relevant Standards and Criteria.






## Impact and Alignment with UN SDGs



The SIP to be partially financed with the Series 2021A Bonds supports and advances the vision of the UN SDGs. The Series 2021A Bonds directly support UN SDGs 7, 9, 11, 12 and 13 by financing campus capital improvements that will significantly reduce energy demand and increase efficiency. A comprehensive list of targets and background on UN SDGs is available on the United Nations website: [www.un.org/sustainabledevelopment](https://www.un.org/sustainabledevelopment).





UN SDG Goals	Green Category (SDG Targets) <sup>1</sup>	Possible Indicators
	<ul style="list-style-type: none"> <li>Renewable Energy (Target 7.2)</li> <li>Energy Efficiency (Target 7.3)</li> </ul>	<ul style="list-style-type: none"> <li>Energy use intensity reduction</li> <li>Annual avoided GHG emissions (CO2-eq)</li> </ul>
	<ul style="list-style-type: none"> <li>Sustainable Infrastructure (Target 9.4)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in grid energy demand as a result of efficiency upgrades and geothermal system installation</li> <li>Reduction in water use as a result of projects</li> </ul>
	<ul style="list-style-type: none"> <li>Sustainable Urbanization (Target 11.3)</li> </ul>	<ul style="list-style-type: none"> <li>Involvement of municipal government in the SIP</li> <li>Additional formal community partnerships</li> </ul>
	<ul style="list-style-type: none"> <li>Responsible Consumption and Production (Target 12.2)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of fossil fuel use</li> <li>Reduction in water use</li> </ul>
	<ul style="list-style-type: none"> <li>Climate Action (Target 13.2)</li> </ul>	<ul style="list-style-type: none"> <li>Adoption and continued adaptation of long-term GHG emission reduction strategy</li> <li>Total GHG emissions per year</li> </ul>

The significant decrease in energy demand and reduction in campus GHG emissions and water use associated with the projects advance Targets 7.2, 7.3, and 12.2. Responsible use of natural resources is a central component of the SIP. The Series 2021A Bonds advance Target 9.4 by incorporating the ground source heat pump as the alternative energy source for the campus. The multidecadal commitment to sustainability planning and climate change mitigation is evidence of supporting Target 13.2. In addition to integration of sustainability into strategic planning on-campus, Oberlin has encouraged and included community partners in the process. This inclusion of the wider community advances Targets 13.2 and 11.3.

<sup>1</sup> Full text of SDG Targets available in Appendix B



## CONCLUSION

Based on the Reasonable Assurance procedures we have conducted, in our opinion, the Series 2021A Bonds conform, in all material respects, with the Climate Bonds Standard, and the bond-financed activities are aligned with the *Low Carbon Buildings* Sector Criteria. In Kestrel's opinion, Oberlin has demonstrated leadership among US higher education institutions by pursuing its Sustainable Infrastructure Program and involving community members and stakeholders throughout project development and implementation processes.

## ABOUT KESTREL VERIFIERS



For 20 years Kestrel has been a trusted consultant in sustainable finance. Kestrel Verifiers, a division of Kestrel 360, Inc. is a Climate Bonds Initiative Approved Verifier qualified to verify transactions in all asset classes worldwide. Kestrel is a US-based Women's Business Enterprise.

For more information, visit [www.kestrelverifiers.com](http://www.kestrelverifiers.com)

## DISCLAIMER

This Report aims to explain how and why the discussed financing meets the Climate Bonds Standard based on the information which was available to us during the time of this engagement (June 2021) only. By providing this Report, Kestrel Verifiers is not certifying the materiality of the projects financed by the Climate Bonds. It was beyond Kestrel Verifiers' scope of work to review issues relating to regulatory compliance and no surveys or site visits were conducted. Furthermore, we are not responsible for surveillance on the project or use of proceeds. Kestrel Verifiers relied on information provided by the College and publicly available information. The Report delivered by Kestrel Verifiers does not address financial performance of the Series 2021A Bonds or the effectiveness of allocation of its proceeds. This Report does not make any assessment of the creditworthiness of the College, or its ability to pay principal and interest when due. This is not a recommendation to buy, sell or hold the Series 2021A Bonds. Kestrel Verifiers is not liable for consequences when third parties use this Report either to make investment decisions or to undertake any other business transactions. This Report may not be altered without the written consent of Kestrel Verifiers. Kestrel Verifiers reserves the right to revoke or withdraw this Report at any time. Kestrel Verifiers certifies that there is no affiliation, involvement, financial or non-financial interest in the College or the projects discussed. Language in the offering disclosure supersedes any language included in this Verifier's Report.

## APPENDIX A

Table 1. Approximate Sustainable Infrastructure Program budget to be partially financed with Series 2021A Bond proceeds

Item	Current Projection
Building Conversions - South	\$33,171,000
Building Conversions - West	\$10,882,000
Building Conversions - North	\$13,465,000
Building Conversions - East	\$3,527,000
Distribution System - South/West	\$12,759,299
Distribution System - North	\$15,441,750
Distribution System - East	\$3,721,500
Production Plant Conversion	\$3,170,217
Geothermal Source	\$22,000,000
Electrical Improvements	\$4,255,000
Duration General Conditions	\$ -
Remediation	\$386,684
Mortenson Construction GCs	\$7,376,520
Subtotal Construction Costs	<b>\$130,156,000</b>
Development & Engineering	\$3,001,315
Architecture	\$630,000
Commissioning	\$683,080
Surveying	\$225,000
Owner's Costs/Management	\$6,439,000
Owner's Contingency (less buried)	\$ -
Subtotal Soft Costs	<b>\$10,978,000</b>
Total	<b>\$141,134,000</b>
Overall Program Budget less Contingency	<b>\$138,934,000</b>

## APPENDIX B

The Series 2021A Bonds align with multiple UN Sustainable Development Goals (SDGs). Targets supported by the bond-financed activities include:

- **Target 7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix
- **Target 7.3:** By 2030, double the global rate of improvement in energy efficiency
- **Target 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
- **Target 11.3:** By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
- **Target 12.2:** By 2030, achieve the sustainable management and efficient use of natural resources
- **Target 13.2:** Integrate climate change measures into national policies, strategies and planning

