

Independent Limited Assurance Report to the Directors and management of Monash University

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 15 May 2020, nothing has come to our attention that causes us to believe that Monash University's Climate Bonds 1, 2 and 3 post-issuance process as at 31 December 2019 does not meet the requirements of the Climate Bonds Standard (Version 2.1) including all relevant post-issuance requirements and the Green Bond Principles' (June 2017) requirements in all material respects.

Scope

We have performed a limited assurance engagement in relation to Monash University's Climate Bonds 1, 2 and 3 post-issuance process, in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below ('Subject Matter') does not meet, in all material respects, the criteria as presented below as at 31 December 2019.

Subject Matter and Criteria

The subject matter and associated criteria for this reasonable assurance engagement are set out in the table below:

Subject Matter	Criteria
<ul style="list-style-type: none"> • Monash University's Climate Bonds 1, 2 and 3 Post-Issuance process, as described in Monash University's Green Bond Framework, being the: <ul style="list-style-type: none"> • Identification of commercial building projects, property upgrade projects, and solar projects • Minimum criteria for eligible commercial building projects, property upgrade projects and solar projects • Management of proceeds • Reporting on use of proceeds and project performance. 	<p>The Climate Bond Standard (Version 2.1) and the Climate Bond Standard Sector Eligibility Criteria for:</p> <ul style="list-style-type: none"> • Low Carbon Buildings – Commercial • Low Carbon Buildings – Property Upgrade • Low Carbon Buildings – Laboratories • Solar. <p>Criteria found at these links:</p> <ul style="list-style-type: none"> • https://www.climatebonds.net/files/files/Climate%20Bonds%20Standard%20v2_1%20-%20January_2017.pdf • https://www.climatebonds.net/files/files/Commercial%20Property%20Criteria.pdf • https://www.climatebonds.net/files/files/Upgrades%20Criteria.pdf • https://www.climatebonds.net/standard/buildings/commercial/calculator • https://www.climatebonds.net/files/files/Sector%20Criteria%20-%20Solar%20v2_1.pdf <p>The Green Bond Principle's (June 2017) requirements on:</p> <ul style="list-style-type: none"> • Use of Proceeds • Process for Project Evaluation and Selection • Management of Proceeds • Reporting <p>Criteria found at this link:</p> <p>https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf</p>
<p>Technical details of the assets identified as 'green' ('eligible assets')</p>	<p>Monash University's Green Bond Framework</p>



Management Responsibility

The management of Monash University ('Management') is responsible for the collection, preparation and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support Monash University's Climate Bonds 1, 2 and 3 issuance process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion as to whether anything has come to our attention that causes us to believe that the Subject Matter is not presented in accordance with the criteria, in all material respects. Our assurance engagement has been planned and performed in accordance with the Australian Standard on ASAE 3000.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, appropriate testing, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion and, as such, do not provide all the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

Our assurance procedures performed included, but were not limited to:

- Assessing policies and procedures established by Monash University related to the annual post-issuance process of the Climate Bonds 1, 2 and 3 to assess whether they were aligned to the requirements of the Climate Bond Standard (Version 2.1) ('CBS') and the Green Bond Principles (June 2017) ('GBP')
- Interviewing selected business unit and group level personnel to understand the key issues related to Monash University's relevant policies and procedures
- Undertaking analytical procedures to check the reasonableness of emissions data and spend data supporting the eligibility and valuation of assets for inclusion in Monash University's Climate Bonds 1, 2 and 3
- Conducting detailed testing on a sample basis of emissions data, asset valuations and key underlying assumptions to supporting documentation such as third-party consultant reports, monthly spend registers, and grid electricity and gas records.
- Checking the mathematical accuracy of calculations performed
- Checking the eligibility of assets for inclusion in Monash University's Climate Bonds 1, 2 and 3 against Monash University's Green Bond Framework
- Seeking management representation on key assertions.

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ASAE 3000, the CBS and GBP is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Monash University's Climate Bonds 1, 2 and 3 annual post-issuance process, and did not include statutory financial statements.

Use of Report

Our responsibility in performing our assurance activities is to the Directors of Monash University only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on Monash University's Climate Bonds 1, 2 and 3 annual post-issuance process is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third-party purpose



Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this assurance engagement.

Observations on particular aspects of our engagement:

We provide selected observations aligning to the CBS and GBP core components, to provide the reader with further understanding on how Monash University's Climate Bonds 1, 2 and 3 meet the criteria. These observations are not intended to detract from our conclusion provided above.

Use of Proceeds:

- Proceeds from Monash University's Climate Bonds 1, 2 and 3 will be used for financing and refinancing purposes.
- Proceeds support the value of assets, owned by Monash University, that meet the CBS Low Carbon Buildings – Commercial Buildings, Low Carbon Buildings - Property Upgrades, Low Carbon Buildings - Laboratories and Solar.
- The value of the eligible assets is based on estimated budget and actual spend, which is greater than the value of the net proceeds of Monash University's Climate Bonds 1, 2 and 3.
- The CBS Low Carbon Building Criteria was developed by the Climate Bonds Initiative, an international, investor-focused not-for-profit organisation aiming to develop tools to mobilise the bond market for climate change solutions. The primary objective is to ensure that any assets certified by the CBS would contribute to meeting an emissions trajectory consistent with limiting global temperature rises to 2° Celsius.
- The use of proceeds of Monash University's Climate Bonds 1, 2 and 3 aligns with the GBP's project category "green buildings which meet regional, national or internationally recognised standards or certifications".

Process for Project Evaluation and Selection

- Monash University has developed a Green Bond Framework that outlines the environmental objectives of Monash University's Climate Bonds 1, 2 and 3, eligibility criteria for determining projects and the process for selection and evaluation.

Management of Proceeds

- Monash University has implemented processes to manage funds received from Monash University's Climate Bonds 1, 2 and 3 and to monitor the on-going use of proceeds. These processes include:
 - An ear-marking process through existing systems to designate the proceeds received
 - A process for deploying any unallocated proceeds to temporary cash equivalent investments
 - A monthly process for monitoring the on-going use of proceeds and value of eligible assets
 - Annual Use of Proceeds reporting and reporting on the environmental performance of the bond.
- As at 31 December 2019 all proceeds in relation to Monash University's Climate Bonds 1, 2 and 3 have been allocated.
- Monash University have committed to obtaining independent assurance over annual reporting on Monash University's Climate Bonds 1, 2 and 3.

Reporting

- Monash University has reported on the Use of Proceeds of Green Bond to noteholders and will continue to do so annually, which will include as a minimum: a list of eligible assets, the value of the eligible assets, and the environmental performance of eligible assets.

Ernst & Young

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