

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, nothing has come to our attention that causes us to believe that Monash University's Climate Bonds 1, 2 and 3 post-issuance process does not meet the requirements of the Climate Bond Standard's v2.1 and the Green Bond Principles (June 2017) 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 of 31 December 2018.

Subject Matter and Criteria

The subject matter and associated criteria for this limited 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 v2.1 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> <ul style="list-style-type: none"> ▶ https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf

Assurance Approach

Our assurance approach was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000').

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 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 v2.1 ('CBS') and the Green Bond Principles (June 2017) ('GBP')
- ▶ Checking the eligibility of assets for inclusion in Monash University's Climate Bonds 1, 2 and 3 against Monash University's Green Bond Framework
- ▶ Interviewing selected business unit and group level personnel to understand the key issues related to Monash University's relevant policies and procedures
- ▶ Requesting documentation supporting assertions made in the Subject Matter
- ▶ Checking the accuracy of calculations performed
- ▶ Obtaining and reviewing evidence to support key assumptions and other data
- ▶ Seeking management representation on key assertions.

A summary of our procedures is shown in this Table.

CBS sections	Requirement	Assurance Procedures
4	Project Nomination	<ul style="list-style-type: none"> ▶ Review the statement on the environmental objective to check that the bond meets the CBS requirements ▶ Review that the nominated assets/projects meet the environmental objectives and the eligibility criteria set out in the Low Carbon Buildings Criteria (LCBC) and the Solar Criteria of the CBI ▶ Review relevant documentation related to any disposed or new nominated assets/projects since pre-issuance ▶ Review overlap of nominated assets with other Certified Climate Bonds
5	Use of Proceeds	<ul style="list-style-type: none"> ▶ Check proportion of net proceeds used for financing versus re-financing ▶ Review internal accounts systems to check all proceeds are earmarked to nominated assets/projects ▶ Review allocation of net proceeds against nominated assets/projects within the required time period of 24 months post-issuance ▶ Review the monthly spending register and budget of nominated assets/projects to check that the total investment in the nominated

		assets/projects is equal to or greater than the principal amount of the Climate Bonds
6	Non-Contamination	<ul style="list-style-type: none"> ▶ Review internal accounts systems to check all proceeds are earmarked to Nominated Projects ▶ Review temporary placement of unallocated proceeds are aligned with the uses as set out in CBS
7	Confidentiality	<ul style="list-style-type: none"> ▶ As Monash University owns the relevant nominated projects/assets, this section is not relevant
8	Reporting	<ul style="list-style-type: none"> ▶ Review Monash University's reporting on the nominated projects/assets to noteholders against the CBS requirements
9	Climate Bond Taxonomy	<ul style="list-style-type: none"> ▶ Review nominated assets/projects against CBI eligibility taxonomy
10	Technical criteria	<ul style="list-style-type: none"> ▶ Review operational performance of Peninsula Campus Library, Caulfield Library and the external lighting upgrade project and re-compute the emissions reductions ▶ Review operational performance of Green Chemical Futures laboratory and re-compute the emissions intensities ▶ Review estimates of expected performance of Biomedical Learning and Teaching Building ▶ Review the solar projects against the solar eligibility criteria
11	Project holding	<ul style="list-style-type: none"> ▶ Review the monthly spending register and budget of nominated assets/projects to check that the total investment in the nominated assets/projects is equal to or greater than the principal amount of the Climate Bonds
12	Settlement period	<ul style="list-style-type: none"> ▶ Review allocation of net proceeds against nominated assets/projects within the required time period of 24 months post-issuance for each bond
13	Earmarking	<ul style="list-style-type: none"> ▶ Review internal accounts systems to check all proceeds are earmarked to nominated assets/projects

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 Climate Bond Standards v2.1 and Green Bond Principles (June 2017) is subjective and will be interpreted differently by different stakeholder groups.

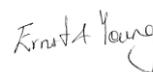
Our assurance was limited to the Monash University's Climate Bonds 1, 2 and 3 annual post-issuance process, and did not include statutory financial statements.

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.



Ernst & Young



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30 May 2019