

SECOND PARTY OPINION

SUMMARY

Kestrel Verifiers finds that the California Educational Facilities Authority (“Authority”) Revenue Bonds (Stanford University) Series V-2 (Sustainability Bonds - Climate Bond Certified) (the “Series V-2 Bonds”) conform with the four pillars of the Sustainability Bond Guidelines (2018) as follows:

Use of Proceeds

The Series V-2 Bonds will finance and refinance Stanford University’s capital improvement projects which support and enable the continued growth of the University and align with the school’s anticipated trajectory to reach zero greenhouse gas (GHG) emissions by approximately 2030. The capital improvement projects simultaneously contribute to confrontation of inequities and disparities in health and healthcare, support of education, and expansion of access to housing in one of the least affordable housing markets in the United States.

Process for Project Evaluation and Selection

Stanford’s Capital Plan is the guiding document for capital project identification and approval. Academic and research success, housing accessibility, energy management, and campus sustainability are integral to the capital project selection and design process.

Management of Proceeds

Proceeds from the Series V-2 Bonds will be used to finance and refinance a portfolio of capital improvement projects and may be used to pay a portion of the costs of issuance. A portion of proceeds will immediately be allocated to refunding outstanding debt and new money may temporarily be held in highly conservative instruments with principal preservation as the primary objective.

Reporting

In addition to Stanford’s continuing disclosure undertaking with respect to the Series V-2 Bonds, Stanford will make key metrics pertaining to the University’s environmental and social impact available to the public. Kestrel Verifiers will be engaged to provide one Post-Issuance Report.

Impact and Alignment with UN SDGs

By facilitating growth of the University in a sustainable way, the Series V-2 Bonds support and advance multiple United Nations Sustainable Development Goals (UN SDGs), including those related to increased access to housing, climate action, access to high-quality education, and advancing equity in public health and healthcare.



ISSUER

California Educational Facilities Authority

BORROWER

The Board of Trustees of the Leland
Stanford Junior University (Stanford
University)

BOND ISSUANCE

Revenue Bonds (Stanford University)
Series V-2 (Sustainability Bonds -
Climate Bond Certified)

CLIMATE BONDS SECTOR CRITERIA

Low Carbon Buildings

SOCIAL CATEGORY

1. Access to Essential Services
(Education & Health Equity)
2. Affordable Housing/Housing
Access

TARGET POPULATIONS

Marginalized, underserved
populations; low- and moderate-
income Stanford-affiliated residents

EVALUATION DATE

March 31, 2021

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SECOND PARTY OPINION

Issuer:	California Educational Facilities Authority
Issue Description:	Revenue Bonds (Stanford University) Series V-2 Bonds (Sustainability Bonds - Climate Bond Certified)
Project:	Capital Improvement Projects
Green Category:	Green Buildings
Social Category:	Access to Essential Services (Education & Health Equity), Affordable Housing/Housing Access
Target Population:	Marginalized, underserved populations; low- and moderate- income Stanford-affiliated residents
Par:	\$300,400,000
Evaluation date:	March 31, 2021

SUSTAINABILITY BONDS DESIGNATION

Kestrel Verifiers, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of this bond to evaluate conformance with the Sustainability Bond Guidelines (2018) established by the International Capital Market Association (“ICMA”).

This Second Party Opinion reflects our review of the uses and allocation of proceeds and oversight and conformance with the Sustainability Bond Guidelines. In our opinion, the California Educational Facilities Authority (“Authority”) Revenue Bonds (Stanford University) Series V-2 Bonds (Sustainability Bonds - Climate Bond Certified) (“Series V-2 Bonds”) are aligned with the four pillars of both the Green Bond Principles and the Social Bond Principles and therefore qualify for Sustainability Bonds designation.

The Series V-2 Bonds have been designated as Certified Climate Bonds by the Climate Bonds Standard Board through their alignment with the Climate Bonds Standard (V3.0) Low Carbon Buildings criteria. A third-party verification of their conformance was separately performed by Kestrel Verifiers and summarized in a Verifier’s Report. Given the Climate Bonds designation and the harmonization between the Climate Bonds Standard and the Green Bond Principles, the Series V-2 Bonds are in alignment with the ICMA Green Bond Principles (2018). This Second Party Opinion confirms and primarily focuses on alignment of the Series V-2 Bonds with the ICMA Social Bond Principles (2020).

ABOUT THE BORROWER: STANFORD UNIVERSITY

Stanford University (“Stanford or “University”) is a higher education and research institution located in the San Francisco Bay Area, California. The main campus consists of 8,180 acres of land located in six different municipalities. Additional information about the University is available in the Official Statement with respect to the Series V-2 Bonds and other publicly available resources.

ALIGNMENT TO SUSTAINABILITY STANDARDS

Sustainability Bonds are bonds in which the proceeds will be exclusively applied to finance or refinance a combination of both Green and Social Projects. Sustainability Bonds are aligned with the four core components of both the Green Bond Principles and Social Bond Principles which include: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting (International Capital Market Association definition).

Use of Proceeds

The Series V-2 Bonds will be used to finance and refinance Stanford's capital improvement projects. They are eligible in the Access to Essential Services and Affordable Housing/Housing Access project categories of the Social Bond Principles. By supporting both environmental and social impact goals, the Series V-2 Bonds conform with the Sustainability Bond Guidelines.

Proceeds of the Series V-2 Bonds will provide new money for University capital improvement projects, refinance commercial paper and pay down a revolving line of credit, also used for University capital improvement projects, and refund the California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-5 ("Series U-5 Bonds"). The Series U-5 Bonds refinanced commercial paper for a portion of the California Educational Facilities Authority Revenue Bonds (Stanford University) Series T-4. Highlights of the capital improvement projects are described below. Project images and additional details are included in Appendix A and Appendix B, respectively.

Social Benefits

Projects in the Series V-2 Bonds directly contribute to the University's pursuits of health equity research and affordable housing for the community. The Series V-2 Bonds also impact the University's systemic and academic equity initiatives because those initiatives affect every aspect of the Stanford ecosystem. Specific projects are highlighted below which have direct social impact through improving access to housing and health services. The Social Bond designation also factors in a system-level analysis of Stanford University that recognizes the University as a leader in academic and organizational social equity. To arrive at the Social Bond designation, Kestrel viewed the social benefits stemming from the bond-financed activities with these relative weightings:

- 60% Health Equity
- 30% Affordable Housing/Housing Access
- 10% Systemic and Academic Equity Initiatives

Health Equity

In this Second Party Opinion, "health equity" is defined as confrontation of inequities or disparities in health and healthcare. Projects that advance health equity and justice include medical or health research on marginalized populations, public health initiatives that seek to improve healthcare accessibility and quality of care for marginalized populations, and programs that increase diversity and open up opportunities for medical students and healthcare professionals.

The activities financed or refinanced by the Series V-2 Bonds support Stanford School of Medicine, which promotes health equity through its research, in the education of health care professionals and delivery of health care services. To strengthen its total commitment to diversity and inclusion, in September 2020 the School of Medicine established an Associate Dean for Equity and Strategic Initiatives. Stanford Medicine is creating new delivery models to deliver comprehensive healthcare in the region and throughout the world.

Center for Academic Medicine (“CAM 1”)

The Series V-2 Bonds will partially finance construction of the Center for Academic Medicine, a 180,000 square foot building adjacent to the School of Medicine which will mainly house faculty offices and research facilities. This project aligns with the Social Bond Principles by expanding clinical and medical research, including research about health equity, and by expanding the University’s integrated medical delivery system.

The Series V-2 Bonds qualify for Social Bond designation by upholding and advancing health equity goals, as evidenced by initiatives identified and reviewed by Kestrel. Table 1 highlights various initiatives within the School of Medicine and across Stanford schools that aim to reduce health disparities and advance research on improving health of underserved groups and the social determinants of health.

Table 1. Stanford’s initiatives related to health equity.

Health Equity Initiative	Description
Health Disparities and Community Health Research Programs	A dashboard of programs that share resources and initiatives across the following constituencies: alumni, community college students, faculty, graduate students, K-12, medical students, postdoctoral scholars, public, residents and fellows, staff, and undergrads.
SPHERE (Stanford Precision Health for Ethnic and Racial Equity)	SPHERE is one of five national centers funded by the National Institute on Minority Health and Health Disparities to focus on using precision-medicine tools to improve the health of underserved ethnic and racial groups.
Office of Diversity in Medical Education and the Leadership in Health Disparities Program (LHDP)	The LHDP evolved from the Stanford Medical School’s Early Matriculation Program (EMP) that began in 1984 to promote academic careers in medicine among minority and disadvantaged medical students.
HEARs (Health Equity, Advocacy and Research)	A program designed to train and develop future physician leaders to champion initiatives and advocate for the health of underserved populations within the United States.
Our Voice: Citizen Science for Health Equity	The Our Voice Initiative aims to increase health equity among people of all socioeconomic backgrounds and in diverse parts of the world through citizen science—which empowers community members to drive change in their local environments. Using the Discovery Tool mobile app, these “citizen scientists” document features of their communities that impact their ability to lead healthy lives. They then review their own findings, prioritize areas for change, and mobilize to promote improvements that will support community health.
JUST Health	A web publication designed to spotlight thought, research, challenges, and inroads in health disparities, health inequity, and social justice in medicine, health and wellness. Launched by the Center of Excellence in Diversity in Medical Education.
Center for Population Health Sciences	A center focused on stimulating, facilitating, and conducting research on the social determinants of health.
LGBT Medical Education Research Group	A group with a mission to be a significant contributor to the field of LGBT health by creating and communicating new knowledge through innovative research, influencing health and educational policies, and advocating for LGBT patients and providers.
Cardinal Free Clinics	Clinics created to fill a void in the health care safety net that is met by very few other providers and represents a new and innovative model for providing free health care to the underserved.
WHSDM (Women’s Health & Sex Differences in Medicine Center)	A research center that not only conducts multi-disciplinary research on women’s health and sex differences in biology and medicine, but also promotes the value of educating medical professionals on a broad range of women’s health issues.
Stanford Center for Innovation in Global Health	In the pursuit of wellbeing, worldwide, we share knowledge, equip leaders, and build interdisciplinary, multisectoral teams to address urgent global health challenges.
Maternal and Child Health Research Institute	The Maternal and Child Health Research Institute mobilizes Stanford discoveries and expertise to improve healthier lives for expectant mothers and children.

Affordable Housing/Housing Access

Stanford is located in one of the most expensive housing markets in the United States, where housing is scarce.¹ Kestrel has reviewed the University's Capital Plan, as well as the University's housing plans and initiatives, and has determined that the University is committed to providing affordable on- and off-campus housing. At present, almost all undergrads, over 65% of graduate students and 40% of faculty members have access to on-campus housing.

Escondido Village Graduate Residences

The Series V-2 Bonds will partially refinance construction of the Escondido Village Graduate Residences (EVGR) that provides on-campus housing for 2,020 additional graduate students. The completed project is expected to raise the percentage of graduate students housed on campus to approximately 75% once fully occupied. These apartments provide on-campus housing for single graduate students and couples without children.

Various unit types will aim to offer rent rates at equal to or less than comparable rates on the local open market. By providing on-campus housing, the Series V-2 Bonds address critical housing needs of graduate students, who often qualify as a low- to middle-income population.

Middle Plaza at 500 El Camino Real

The Series V-2 Bonds will also partially finance the Middle Plaza project which includes 215 residential units that are either one- or two-bedroom apartment rentals. Construction began in Fall 2019 and is expected to finish in Summer 2022. While Escondido Village creates housing for students, Middle Plaza housing is mainly intended for faculty and staff, though undergraduate and graduate students will also have access.

Up to 10 of the 215 units will be offered below market rate. These low-income units will be available to any potential tenants, including undergraduates, graduates or faculty who meet the requirements of the "Affordable Housing Agreement and Declaration of Restrictive Covenants."

Systemic and Academic Equity Initiatives

The Series V-2 Bonds also qualify for Social Bond designation by supporting a campus that advances diversity, equity, and inclusion goals, as evidenced by initiatives reviewed by Kestrel and listed in Table 2.

Table 2. Stanford's social equity initiatives and measurable key performance indicators (KPIs) as of March 2021

Equity Initiative	Description
IDEAL (Inclusion, Diversity, Equity, and Access in a Learning Environment)	A Presidential initiative launched in 2019 that focuses on diversity in all sectors of education and research (recruitment, research, education and engagement), provides support to all of Stanford's community regardless of their background, and ensures that everyone has equal access to opportunities and benefits. An IDEAL dashboard is in development.
IDEAL Fellows Program	A program with the goal to increase and support the development of highly qualified diverse potential faculty members. As of March 2021, 5 new IDEAL fellows were selected. In 2022, the cohort is expected to total 15 (focus in sciences, social sciences, humanities).
IDEAL Staff Advisory Committee	A committee formed in October 2020 with a goal to create a Diversity, Equity, and Inclusion (DEI) Strategy based on data for Stanford University that is sustainable and scalable. The strategy has six key workstreams. Each

¹ California's High Housing Costs: Causes and Consequences, Legislative Analyst's Office. 2015. <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>.


Equity Initiative	Description
	workstream has several metrics-based KPIs that are currently in line for approval.
Faculty Incentive Fund (FIF)	A fund operated by the Office of the Provost that helps make it possible for departments and schools to make incremental appointments of qualified individuals who would bring diversity to the faculty; this can include (but is not limited to) minority scholars and women scholars in disciplines in which they are underrepresented, as well as others who would bring additional dimensions to the University's research and teaching programs.
Faculty Development Initiative (FDI)	An initiative launched by the Center for Comparative Studies in Race and Ethnicity in coordination with the Provost that is designed to recruit outstanding emerging and established scholars, and thereby promote faculty diversity and leading-edge scholarship across disciplines to advance race and ethnicity studies in the U.S. and around the world.
Stanford Earth Fellows	A fellowship program that supports 2 outstanding postdoctoral scholars per year in the fields of Earth, Energy, and Environmental sciences, whose research and mentorship of undergraduate and graduate students will contribute to DEI and scientific excellence within the School. As of May 2020, the University is in the process of evaluating 196 applicants.
Humanities & Sciences Faculty Diversification	March 2021 update: 21 of 53 new faculty arrivals in Academic Years 2019 and 2020 were FIF or FDI appointments. These colleagues have been/will be joined by six additional FIF/FDI appointments in Academic Years 2021-2022 (despite greatly slowed hiring due to the pandemic).
CreAtENGAGEMENT: Toolkit for Fostering a Faculty Climate of Engagement	Programs within individual academic departments that promote collaboration, respect, equity, assistance and transparency. Spearheaded by the Office of Faculty Development, Diversity and Engagement.
"Engaging Diversity" Course Requirement	A graduation requirement for undergraduates to take a course with rigorous analysis of diversity: how it is produced, understood, and enacted. Several are offered across disciplines.
Unconscious Bias & DEI Training	There is ongoing unconscious bias training for O-level and above staff positions, as well as DEI training for new undergraduates.

Environmental Benefits

The Series V-2 Bonds will finance and refinance Stanford University's capital improvement projects which support and enable the continued growth of the University while aligning with the school's anticipated trajectory to reach zero scope 1 and 2 greenhouse gas (GHG) emissions by approximately 2030. The certification of these Bonds by the Climate Bonds Initiative shows that the bond-financed activities provide real environmental benefit and are 100% aligned with the goals and targets of the Paris Agreement to reach peak GHG emissions as soon as possible and to achieve a climate neutral world by mid-century.

In summary, Stanford's GHG emission reduction path is primarily guided by three approaches: energy efficiency in new construction, energy efficiency in existing buildings, and greener energy supply through Stanford Energy System Innovations (SESI). With a major solar generation facility coming online in 2022, the University will use 100% renewable energy and reduce emissions to 80% below maximum levels. Subsequent efficiency programs and capital improvements will further reduce emissions.

The capital improvement projects financed by the Series V-2 Bonds conform with the following project categories in the Social Bond Principles:

Standard	Eligible Project Categories
	<ul style="list-style-type: none"> • Access to Essential Services (Education & Health Equity) • Affordable Housing/Housing Access

Process for Project Evaluation and Selection

Stanford's Capital Plan dictates the overall process for identifying, prioritizing, designing, and funding capital projects. Kestrel has observed that social equity initiative goals, energy management, and campus sustainability are integral to the project selection and design process.

Kestrel views the University's project selection process as thorough and aligned with the Process for Project Evaluation and Selection component of the Sustainability Bond Guidelines. The process is summarized, as follows: Stanford's Annual Budget Plan, which contains the Capital Plan, is based on projections of the major capital projects that the University plans to pursue in support of its academic mission. The Capital Planning process has a three-year planning horizon with commitments to specific projects. Individual University units propose lists of projects to a working group which reviews projects for alignment with academic objectives and affordability. The Provost and Board of Trustees provide final approval of projects.

Management of Proceeds

Proceeds from the Series V-2 Bonds will be used to finance and refinance capital improvement projects which support Stanford in meeting its GHG emission reduction goals. The Office of the Treasurer (Treasurer's Office) manages debt issuance and allocation of bond proceeds. Upon issuance, proceeds of the Series V-2 Bonds shall be loaned directly to Stanford to finance a publicly approved list of projects. Proceeds will be deposited in the Redemption Fund and the Construction Fund and held separate from all other University funds. Proceeds in the Redemption Fund will be allocated to refund Series U-5 Bonds on May 3, 2021 and will not be invested prior to the refunding.

In accordance with Internal Revenue Code requirements, the allocation of proceeds to capital projects will be tracked for the life of the bond. Funds may be withdrawn to pay for or to reimburse the University for qualifying expenses or projects. The Treasurer's Office and the Controller's Office are responsible for tracking use of proceeds for qualifying projects.

A portion of the new money may be temporarily invested in highly conservative instruments with principal preservation as the primary objective. Investment of tax-exempt bond proceeds are further constrained by tax regulations. Proceeds shall not be invested in assets which limit the transition to a low carbon and climate resilient economy.

Reporting

As described in the Continuing Disclosure Agreement for the Series V-2 Bonds, Stanford will submit certain required continuing disclosures to the Municipal Securities Rulemaking Board (MSRB) so long as the Series V-2 Bonds are outstanding. This includes Annual Financial Information and Audited Financial Statements that will be provided annually on the Electronic Municipal Market Access (EMMA) system operated by the MSRB. Stanford will also report on certain listed events as described in the Continuing Disclosure Agreement.

Apart from disclosure requirements described above, Stanford intends to voluntarily provide additional information described below. None of this additional information is intended to become part of the reporting requirements defined in the Continuing Disclosure Agreement. The IDEAL (Inclusion, Diversity, Equity, and Access in a Learning Environment) dashboard is currently under development and is expected to report on a variety of social impact metrics. Campus and building-specific energy performance is tracked by the Department of Sustainability and Energy Management. Each year, the Office of Sustainability produces a report which highlights significant achievements in academics, energy supply, water, waste, central office, energy demand, food and living, buildings, and transportation. Through these reports, key metrics associated with the University's reduction in GHG missions will be publicly available to confirm alignment with the Climate Bonds Standard V3.0 and the Paris Agreement. These reports will be available on the University's website, and voluntarily at their discretion on EMMA. A failure by Stanford to provide the additional information will not constitute a default of the Series V-2 Bonds.



Campus emissions have also been reported through The Climate Registry (TCR) since 2006. Annual emissions inventories are verified through an independent third party and consistently follow TCR's General Reporting Protocol. These reports can be found at www.theclimateregistry.org.

Within 24 months of the Series V-2 Bonds closing, Kestrel Verifiers will provide one Post-Issuance Report to the Climate Bonds Initiative. It is expected that all proceeds of the Series V-2 will be spent at the time of the Post-Issuance Report. Stanford will also post this report on the University's website, and voluntarily at their discretion on EMMA.


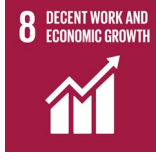

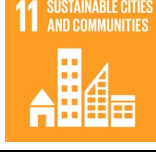
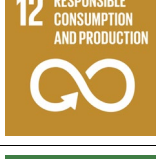

Impact and Alignment with UN SDGs



Many activities at Stanford support and advance the vision of the UN SDGs. The *2030 Agenda for Sustainable Development* adopted by all United Nations member states in 2015 provides "a shared blueprint for peace and prosperity for people and the planet." The United Nations' Agenda describes 17 SDGs. The University maps achievements in various areas to the UN SDGs in an annual Sustainability at Stanford Report. At a bond-financed activity scale, the Series V-2 Bonds directly support UN SDGs 7, 9, 12, and 13 by financing University building and facility improvements that align and advance goals to reduce energy use intensity, reach zero emissions, and integrate climate action into all aspects of capital planning and project evaluation. The Series V-2 Bonds also support UN SDGs 3, 4, 8, and 11 by expanding access to affordable housing, enabling preeminent medical research, and maintaining high-quality educational facilities. A comprehensive list of targets and background on UN SDGs is available on the United Nations' website: www.un.org/sustainabledevelopment

UN SDG	Green or Social Category (SDG Targets) ²	Possible Indicators
	<ul style="list-style-type: none"> Health Equity (Target 3.8) 	<ul style="list-style-type: none"> Health equity research initiatives
	<ul style="list-style-type: none"> Access to Essential Services (Targets 4.3, 4.4) 	<ul style="list-style-type: none"> Number of students provided access to education Post-graduation employment rate

² Full text of SDG Targets available in Appendix C.

UN SDG	Green or Social Category (SDG Targets) ²	Possible Indicators
	<ul style="list-style-type: none"> Energy Efficiency (Target 7.3) 	<ul style="list-style-type: none"> Energy use intensity of built area Avoided GHG emissions (CO₂-eq)
	<ul style="list-style-type: none"> Access to Essential Services (Target 8.6) 	<ul style="list-style-type: none"> Number of students provided with access to high-quality education Employment rate of graduating students
	<ul style="list-style-type: none"> Sustainable Infrastructure (Target 9.4) 	<ul style="list-style-type: none"> Reduction in grid energy demand as a result of upgrades Reduction in number of curtailment days
	<ul style="list-style-type: none"> Affordable Housing (Target 11.1) 	<ul style="list-style-type: none"> Number of housing units constructed Number of units made available to low- and moderate-income households
	<ul style="list-style-type: none"> Responsible Consumption and Production (Target 12.2) 	<ul style="list-style-type: none"> Reduction of fossil fuel use
	<ul style="list-style-type: none"> Climate Action (Target 13.2) 	<ul style="list-style-type: none"> Adoption of long-term GHG emission reduction strategy Total GHG emissions per year

The capital improvement projects financed by the Series V-2 Bonds, including sustainable expansion of the University, support Targets 4.3, 4.4, and 8.6. Construction of a new facility for medical research in health equity associated with the University's School of Medicine aligns with Target 3.8. By financing expansion of affordable and accessible housing for graduate students, Stanford is directly supporting Target 11.1. The green building standards employed in Stanford's construction and renovation projects reduce energy and water use, advancing Targets 7.3 and 12.2, while upgrades to Chiller Plant at the innovative Central Energy Facility advance Target 9.4. The Series V-2 Bonds also support Target 13.2 by integrating climate action into long-term planning and the project selection process for bond-financing.

CONCLUSION

Based on our independent verification, the Series V-2 Bonds conform, in all material respects, with the Sustainability Bond Guidelines (2018). Given the Climate Bonds designation and the harmonization between the Climate Bonds Standard and the Green Bond Principles, the Series V-2 Bonds are in alignment with the ICMA Green Bond Principles (2018). The projects align with two Social Project categories: Affordable Housing/Housing Access and Access to Essential Services (Education & Health Equity). Stanford has selected projects for financing that advance health equity goals and improve

access to housing in an undersupplied market. The projects enable Stanford's growth while reducing GHG emissions and meeting strong green building standards. Stanford is exemplary in its leadership on effectively advancing bold goals for climate action in a higher education and research institution.

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

DISCLAIMER

This opinion aims to explain how and why the discussed financing meets the ICMA Sustainability Bond Guidelines based on the information which was available to us during the time of this engagement (March 2021) only. By providing this opinion, Kestrel Verifiers is not certifying the materiality of the activities financed by the Sustainability 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 projects or use of proceeds. Kestrel Verifiers relied on information provided by the issuer and publicly available information. The opinion delivered by Kestrel Verifiers does not address financial performance of the Sustainability Bonds or the effectiveness of allocation of its proceeds. This opinion does not make any assessment of the creditworthiness of the University, or its ability to pay principal and interest when due. This is not a recommendation to buy, sell or hold the Bonds. Kestrel Verifiers is not liable for consequences when third parties use this opinion either to make investment decisions or to undertake any other business transactions. This Opinion may not be altered without the written consent of Kestrel Verifiers. Kestrel Verifiers certifies that there is no affiliation, involvement, financial or non-financial interest in the issuer or the projects discussed. Language in the offering disclosure supersedes any language included in this Second Party Opinion.



APPENDIX A

Figure A.1. CAM 1 Construction Map (Source: Stanford Construction Map Website)

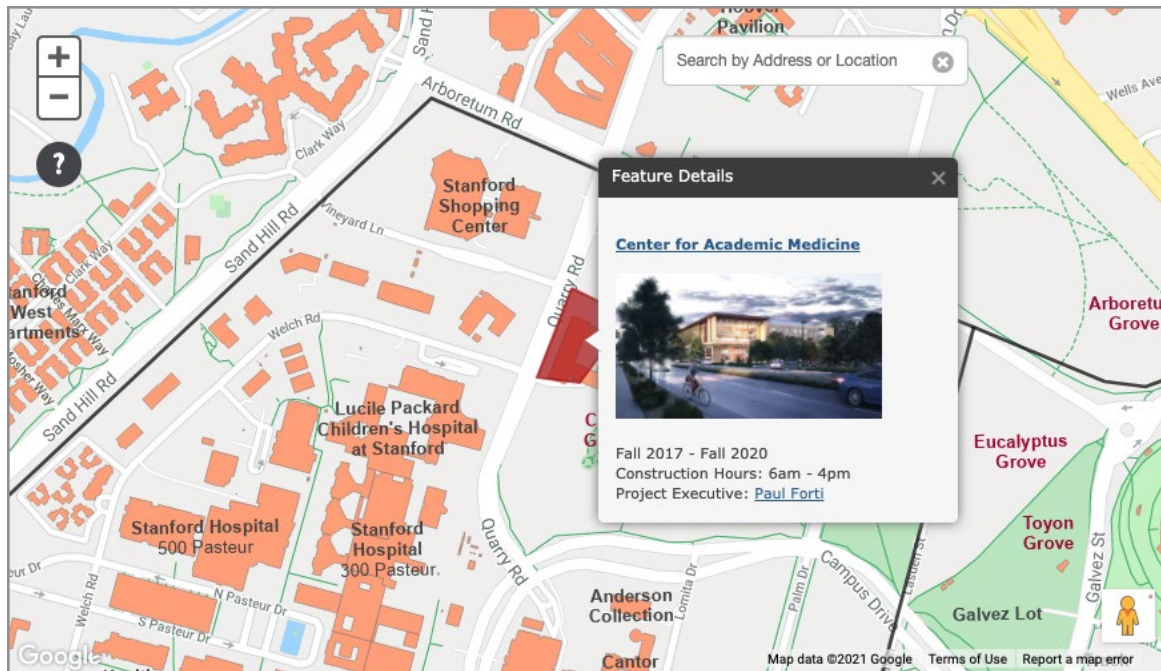


Figure A.2. CAM 1 Rendering (Source: CAM 1 Project Update Website)



Figure A.3. Image of Escondido Village Graduate Residences (Source: Stanford “Heads Up” Website)



Figure A.4. Image of Escondido Village Graduate Residences (Source: Stanford Residential & Dining Enterprises Website)



Appendix B

General project summaries and additional details beyond those highlighted in the Use of Proceeds section are provided below.

Table B.1. The following is a short list of anticipated projects that will be financed with the new money portion of Series V-2 or financed through refunded commercial paper with the Series V-2 Bonds. A portion of the Series V-2 Bonds will also refund Series U-5 Bonds (not shown below).

Anticipated CEFA V-2 Project List (including but not limited to the following)
Middle Plaza at 500 El Camino Real Formerly known as 500 ECR Residential
Central Energy Facility Chiller Plant Expansion
Center for Academic Medicine (CAM 1) - Formerly known as Clinical Excellence Center CEC
Bonair Replacement Building
Escondido Village Graduate Residences (EVGR) and Parking Garages
Biomedical Innovation Building 1
Stanford ChEM-H and the Wu Tsai (formerly Stanford ChEM-H and the Stanford Neurosciences Institute (SNI))
Anne T. and Robert M. Bass Biology Research Building (Bass Biology)
Governor's Corner EPC/Suites/Cottages Renovations
Lagunita Dining - Kitchen & Servery CIP

Bonair Replacement Building: This building will house Land, Buildings & Real Estate (LBRE) operations including offices, shops, warehouse storage, a loading dock, and a small classroom. The building will incorporate technologies for maximizing energy efficiency such as automation of lighting and HVAC controls. By consolidating the needs of multiple teams, the building will reduce overall square footage needs. The building also supports a motor pool plan that reduces the number of overall vehicles, increases the number of electric vehicles, and expands the electric scooter and bike pool. Construction is expected to be completed in 2023.

Neuro/ChEM-H: Completed in 2019, the new research complex co-located Stanford Neurosciences Institute and Stanford ChEM-H and hosts more than 40 laboratories, core research facilities, and collaborative spaces. Energy management features include background ventilation setback, recycled air in lab ventilation, improved roof and wall insulation, high performance window glazing and shades, and a 4-pipe distributed heating and cooling system.

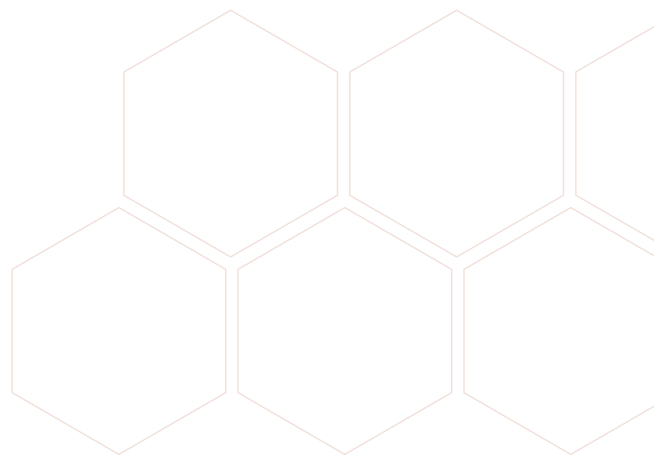
BioMedical Innovations Building 1: Completed in 2019, the BioMedical Innovations Building 1 is the first in a series of buildings constructed to replace outdated laboratory and research facilities. Energy management features on this building include an innovative HVAC system that reduces peak energy consumption by over 50%, exhaust air heat recovery, efficient lighting, and high performance window glazing and shades.

Maintenance and Capital Improvements: Projects financed by the Series U-5 Bonds to be refunded conform with the University's comprehensive plan to reduce GHG emissions and maintain leadership in social and health equity. Projects include chilled water line expansion, Americans with Disabilities Act (ADA) accessibility upgrades, seismic upgrades, electrical conduit improvements, alarm upgrades, and other improvements

Appendix C

The Series V-2 Bonds align with multiple UN Sustainable Development Goals (SDGs). Targets supported by the capital improvement projects include:

- **Target 3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- **Target 4.3:** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- **Target 4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- **Target 7.3:** By 2030, double the global rate of improvement in energy efficiency
- **Target 8.6:** By 2020, substantially reduce the proportion of youth not in employment, education or training
- **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 11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- **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



VERIFIER'S REPORT SUMMARY

Kestrel Verifiers finds that the California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-2 (Sustainability Bonds – Climate Bond Certified) conform with the Climate Bonds Standard (V3.0).

Use of Proceeds

Bond proceeds will be used to finance and refinance capital improvement projects on Stanford University's ("Stanford") campus and its other lands which enable and align with the school's trajectory to reach zero emissions by 2030.

Process for Project Evaluation and Selection

Stanford's Capital Plan is the guiding document for capital project identification and approval. Energy management and campus sustainability are integral to the capital project selection and design process.

Management of Proceeds

Proceeds from the Series V-2 Bonds will be used to finance and refinance a portfolio of capital improvement projects that align with the University's plan to eliminate fossil fuel use. Proceeds may be used to pay a portion of the costs of issuance.

Reporting

In addition to Stanford's continuing disclosure undertaking with respect to the Series V-2 Bonds, Stanford will make key metrics pertaining to the University's energy and emissions performance available to the public on a voluntary basis. Kestrel Verifiers will be engaged to provide one Post-Issuance Report.

Impact and UN SDGs

By facilitating growth of Stanford in a sustainable way, the Series V-2 Bonds support United Nations Sustainable Development Goal (UN SDG) 7: Affordable and Clean Energy, 9: Industry, Innovation and Infrastructure, 12: Responsible Consumption and Production, and 13: Climate Action.



ISSUER

California Educational Facilities
Authority

BORROWER

The Board of Trustees of the
Leland Stanford Junior University
(Stanford University)

BOND ISSUANCE

Revenue Bonds (Stanford
University) Series V-2
(Sustainability Bonds – Climate
Bond Certified)

SECTOR CRITERIA

Low Carbon Buildings

EVALUATION DATE

March 31, 2021

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VERIFIER'S REPORT

Par:	\$300,400,000
Issuer:	California Educational Facilities Authority
Issue Description:	Revenue Bonds (Stanford University) Series V-2 (Sustainability Bonds - Climate Bond Certified)
Project:	Capital Improvement Projects
Sector Criteria:	Low Carbon Buildings
Evaluation Date:	March 31, 2021

CLIMATE BONDS VERIFIER'S REPORT

The California Educational Facilities Authority will issue the Revenue Bonds (Stanford University) Series V-2 (Sustainability Bonds – Climate Bond Certified) (“Series V-2 Bonds”) on behalf of Stanford University (“Stanford” or “University”).

This Verifier’s Report reflects Kestrel Verifiers’ view of Stanford’s projects and financing, allocation and oversight, and conformance of the bonds with the Climate Bonds Standard (V3.0), and the Low Carbon Buildings sector criteria. In our opinion, the Series V-2 Bonds aligned with the internationally accepted Climate Bonds Standard and the Low Carbon Buildings criteria.

ABOUT THE BORROWER: STANFORD UNIVERSITY

Stanford University (“Stanford” or “University”) is a higher education and research institution located in the San Francisco Bay Area, California. The main campus consists of 8,180 acres of land located in six different municipalities. Additional information about the University is available in the Official Statement with respect to the Series V-2 Bonds and other publicly available resources.

Based on Kestrel’s evaluation, Stanford has ambitious and systematic goals for sustainability in academics, energy supply, water, waste, energy demand, food and living, and buildings. The Office of Sustainability and Business Services (“Office”) is a central hub for sustainable infrastructure and programming. The Office facilitates data-driven monitoring of campus performance, internship programs, and sustainable design. The Office also administers the “My Cardinal Green” sustainability incentive program, which provides customized recommendations to students, staff, and faculty who want to reduce their individual environmental impacts.

Significant environmental sustainability achievements include:

- The Water Resources and Civil Infrastructure group established the water conservation program in 2001 and since then, the campus reduced potable water use by 44% in spite of campus growth.
- Stanford has a long-term Habitat Conservation Plan which was developed with the U.S. Fish and Wildlife Service to preserve and enhance habitats for endangered species on Stanford-owned land.
- As of 2019, Stanford had reduced campus energy intensity by 32% compared to 2000.
- The Whole Building Energy Retrofit Program, started in 2004, and the Energy Retrofit Program started in 1993, have resulted in approximately \$15 million in energy savings.
- In 2019, the University diverted 66% of waste from the landfill, and aims to divert more than 90% of waste by 2030.

In May 2020, Stanford announced plans for a new school of sustainability as a means to accelerate its impact and expand the University's function as a living laboratory. The new school aims to amplify Stanford's progress in climate action by expanding collaboration across disciplines and fostering impact-focused approaches to pressing environmental challenges.

ALIGNMENT TO CLIMATE BONDS STANDARD AND CERTIFICATION SCHEME

Stanford has engaged Kestrel Verifiers to provide an independent verification on the alignment of the Series V-2 Bonds with the Climate Bonds Standard (V3.0) and Certification Scheme, and the Low Carbon Buildings sector criteria. The Climate Bonds Initiative (the "CBI") administers the Standard and sector criteria. Additionally, Kestrel Verifiers has examined alignment of the Series V-2 Bonds with the 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 bond meets, in all material respects, relevant criteria.

For this engagement, Kestrel Verifiers reviewed Stanford's Green Bond Framework and relevant plans. We examined public and non-public information and interviewed members of Stanford's Office of Sustainability, Office of the Treasurer, 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 bond.

Verifier's Responsibilities

Kestrel Verifiers' responsibilities for confirming alignment of the Series V-2 Bonds with the Climate Bonds Standard and Low Carbon Buildings criteria include:

- assess and certify Stanford's internal processes and controls, including selection process for projects and assets, internal tracking of proceeds, and the allocation system for funds;
- assess policies and procedures established by Stanford for reporting;
- assess the readiness of Stanford 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 V-2 Bonds align with the Climate Bonds Standard (V3.0) and Low Carbon Buildings criteria. While this Verifier's Report only discusses our determination in relation to the Climate Bond eligibility, Kestrel Verifiers has also provided a Second Party Opinion to attest to the conformance of the Series V-2 Bonds with the Sustainability Bond Guidelines established by the International Capital Market Association ("ICMA").

Assurance Approach

Kestrel Verifiers' responsibility is to conduct a Reasonable Assurance engagement to determine whether the Series V-2 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 Stanford. 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 that are incorrect. Our assurance is limited to Stanford's policies and procedures in place as of March 2021. The distribution and use of this verification report are at the sole discretion of Stanford. 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

The Series V-2 Bonds will finance and refinance Stanford University's capital improvement projects which support and enable the continued growth of the University and align with the school's anticipated trajectory to reach zero greenhouse gas (GHG) emissions by approximately 2030. Proceeds of the Series V-2 Bonds will finance and refinance a variety of University projects which align with GHG emission reduction goals and meet local green building standards. Project descriptions are included in Appendix A.

Climate Bonds^{INITIATIVE}

Sector Criteria

Low Carbon Buildings

Stanford's bond-financed activities align with the CBI Low Carbon Buildings – Building Upgrades criteria for Commercial Buildings. The mitigation component of the Criteria varies for commercial and residential buildings and depends on the tenor of the bond. Under Relative Performance Improvements, projects must meet minimum improvements as shown in Figure 1. Stanford's capital improvement projects are expected to meet the carbon emission reduction targets for the term of the bond (50% for a 30-year bond).

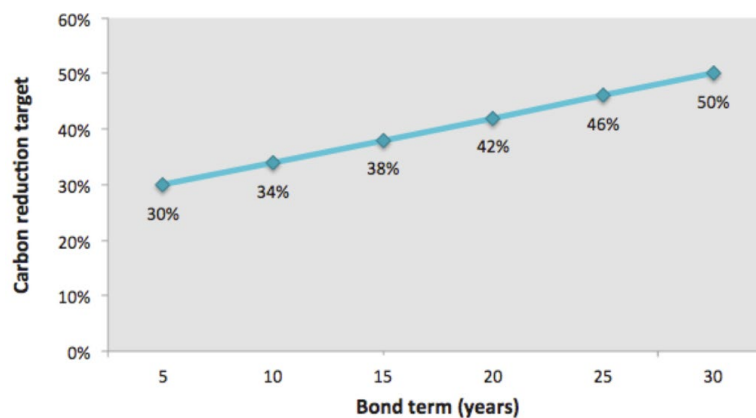


Figure 1. CO₂ emission targets for Commercial Buildings - Building Upgrades

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

Based on Kestrel's review, Stanford has a comprehensive path to reach zero emissions by 2030 which is primarily guided by three approaches: energy efficiency in new construction, energy efficiency in existing buildings, and greener energy supply through Stanford Energy System Innovations (SESI). The zero-emission plan includes scope one and two emissions and does not include purchase of carbon offsets. Figure 2 illustrates Stanford's trajectory to eliminate fossil fuel use by 2030. With a major solar generation facility coming online in 2022, the University will use 100% renewable energy and reduce emissions to 80% below maximum levels. The University anticipates reaching zero scope three emissions by 2050. Subsequent efficiency programs and capital improvements are expected to further reduce emissions, including emissions from travel and embodied carbon in equipment and materials.

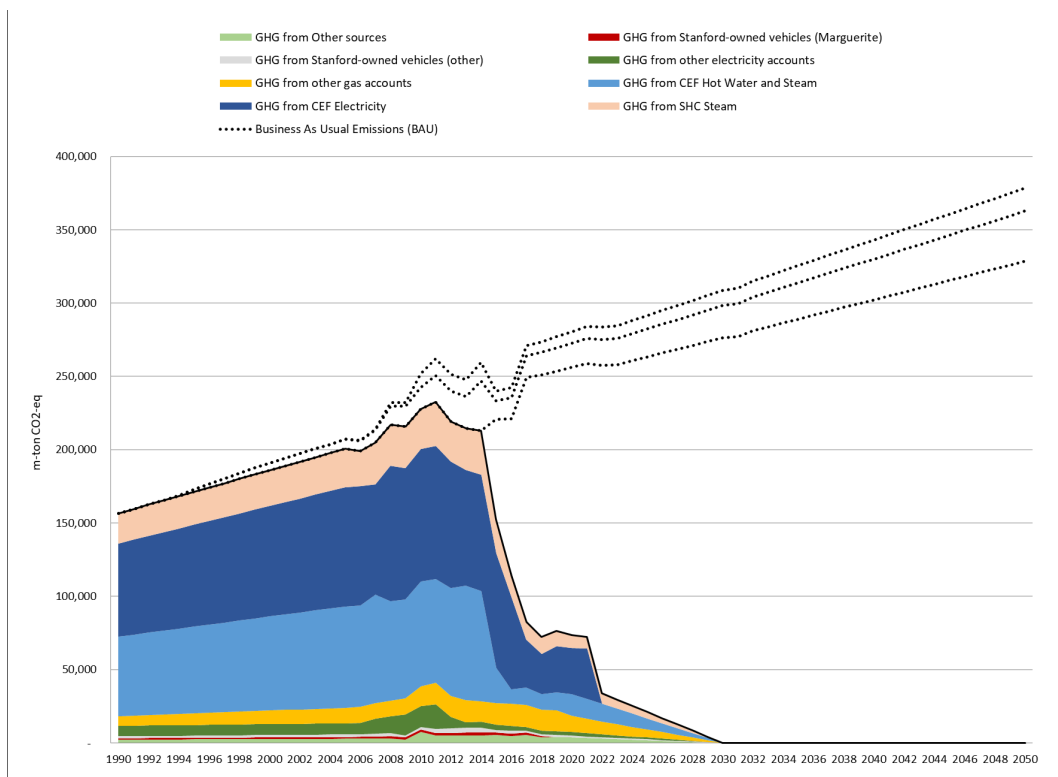


Figure 2. Stanford GHG emissions since 1990 and projections relative to business-as-usual Emissions for 2006–2009 verified per the California Climate Action Registry General Reporting Protocol, including de minimis emissions. Emissions for 2010–2018 verified per the Climate Registry General Reporting Protocol, including simplified estimation (de minimis equivalent) emissions. Acronyms in Figure: Central Energy Facility (CEF); Stanford Health Care (SHC).

The Stanford campus has a 5 MW solar array and a power purchase agreement to acquire approximately 52% of its electricity from an off-campus 67 MW solar system. The remaining renewable electricity is sourced from California’s grid. A secondary 88 MW solar array is expected to come online in 2022. Stanford has reported its scope one and two emissions to The Climate Registry (TCR) since 2006. Annual emissions inventories are verified through an independent third party and consistently follow TCR’s General Reporting Protocol. Scope three emission accounting, program development, and reduction are also part of Stanford’s long-term climate action planning.

Stanford Energy System Innovations (SESI): A portion of the Series V-2 Bond proceeds will finance the Chiller Plant Expansion, a component of the SESI initiative. SESI replaced the campus’ natural gas cogeneration plant with a more efficient, first-of-its-kind Central Energy Facility (CEF) in 2015. The CEF replaced steam with hot water generated through heat recovery and uses energy sourced from the grid with a renewable portfolio. SESI uses waste heat from the campus’s chilled water system to produce hot water for campus-wide heating and has hot and chilled water tanks for energy storage. The purpose of the Chiller Plant Expansion project is to expand the CEF’s chilled water capacity to meet projected campus growth needs and reduce the number of curtailment days during heat waves. Four new 3,000-ton chillers will provide additional capacity and redundancy to the system. In Kestrel’s view, the many environmental awards received by the SESI initiative further validate the innovative approach to climate action.

Green Building Commitment

Based on documentation reviewed by Kestrel, Stanford is a top performer in achieving GHG emission reductions and increasing sustainability of operations. The University has received a Platinum rating from the Association for the Advancement of Sustainability in Higher Education’s (AASHE) Sustainability

Tracking, Assessment & Rating System (STARS) and operates at a campus-wide LEED Gold equivalency, according to a 2016 analysis.

Sustainability Tracking, Assessment & Rating System (STARS): Stanford had the highest score of any scored research institution as of February 2019 and is one of only seven colleges and universities in the U.S. to hold the highest possible rating (Platinum). The same year, Stanford ranked second overall in the Energy category, demonstrating the success of the SESI project and campus energy planning. The STARS rating system provides a widely accepted framework for sustainability in higher education and offers opportunities for meaningful data tracking and comparisons over time.

Green Building Standards: Buildings comply with the Santa Clara County Green Building Ordinance and California's CALGreen Tier 1 energy efficient building standards. In addition, the Stanford Performance Model includes a 30% energy conservation requirement. Design guidelines encourage experimentation with new technologies and require incorporation of learnings from previous projects into new designs.

Stanford's buildings operate at LEED Gold equivalent standards. In 2016, a campus-wide LEED Gold equivalency analysis was performed that confirmed the alignment of the campus with the U.S. Green Building Council's widely recognized standards. Through this analysis, it was determined that Stanford's energy intensity was nearly 30% below the median reported by other colleges and universities.

Process for Project Evaluation and Selection

Stanford's Capital Plan dictates the overall process for identifying, prioritizing, designing, and funding capital projects. Kestrel has observed that energy management and campus sustainability are integral to the project selection and design process.

Kestrel views the University's project selection process as thorough and aligned with the Process for Project Evaluation and Selection component of the Sustainability Bond Guidelines. The process is summarized, as follows: Stanford's Annual Budget Plan, which contains the Capital Plan, is based on projections of the major capital projects that the University plans to pursue in support of its academic mission. The Capital Planning process has a three-year planning horizon with commitments to specific projects. Individual University units propose lists of projects to a working group which reviews projects for alignment with academic objectives and affordability. The Provost and Board of Trustees provide final approval of projects.

Stanford's capital projects comply with campus sustainability targets, including those established in the Energy and Climate Plan. Assurance of conformance with these targets is provided through the Project Delivery Process (PDP). Sustainability is one of the five primary goals outlined by the PDP Manual and each project undergoes a life cycle cost analysis to evaluate the costs and benefits of efficiency investments. All projects are required to meet specific energy use, peak heating, cooling demand and water use targets that exceed regional code requirements. Each building undergoes energy modeling to ensure compliance with Stanford energy targets. In 2008, Stanford established targets for new and significantly renovated buildings to exceed energy efficiency in current code by 30% and reduce water use by 25% relative to similar buildings. Construction projects are required to address salvage and recycling of construction materials and demolition debris. Throughout the design and build process, project teams report on energy and water use performance targets to ensure reduction goals are met.

Management of Proceeds

Proceeds from the Series V-2 Bonds will be used to finance and refinance capital improvement projects which support Stanford in meeting its GHG emission reduction goals. Proceeds may also be used to finance a portion of the costs of issuance. The Office of the Treasurer (Treasurer's Office) manages debt issuance and allocation of bond proceeds. Upon issuance, proceeds of the Series V-2 Bonds shall be loaned directly to Stanford to finance a publicly approved list of projects. Proceeds will be deposited in the Redemption Fund and the Construction Fund and held separate from all other University funds. Proceeds in the Redemption Fund will be allocated to refund Series U-5 Bonds on May 3, 2021 and will not be invested prior to the refunding.

In accordance with Internal Revenue Code requirements, the allocation of proceeds to capital projects will be tracked for the life of the bond. Funds may be withdrawn to pay for or to reimburse the University for qualifying expenses or projects. The Treasurer's Office and the Controller's Office are responsible for tracking use of proceeds for qualifying projects.

A portion of the new money may be temporarily invested in highly conservative instruments with principal preservation as the primary objective. Investment of tax-exempt bond proceeds are further constrained by tax regulations. Proceeds shall not be invested in assets which limit the transition to a low carbon and climate resilient economy.

Reporting

As described in the Continuing Disclosure Agreement for the Series V-2 Bonds, Stanford will submit certain required continuing disclosures to the Municipal Securities Rulemaking Board (MSRB) so long as the Series V-2 Bonds are outstanding. This includes Annual Financial Information and Audited Financial Statements that will be provided annually on the Electronic Municipal Market Access (EMMA) system operated by the MSRB. Stanford will also report on certain listed events as described in the Continuing Disclosure Agreement.

Apart from disclosure requirements described above, Stanford intends to voluntarily provide additional information described below. None of this additional information is intended to become part of the reporting requirements defined in the Continuing Disclosure Agreement. Campus and building-specific energy performance is tracked by the Department of Sustainability and Energy Management. Each year, the Office of Sustainability produces a report which highlights significant achievements in academics, energy supply, water, waste, central office, energy demand, food and living, buildings, and transportation. Through these reports, key metrics associated with the University's reduction in GHG missions will be publicly available to confirm alignment with the Climate Bonds Standard V3.0 and the Paris Agreement. These reports will be available on the University's website, and voluntarily at their discretion on EMMA. A failure by Stanford to provide the additional information will not constitute a default of the Series V-2 Bonds.





Campus emissions have also been reported through The Climate Registry (TCR) since 2006. Annual emissions inventories are verified through an independent third party and consistently follow TCR's General Reporting Protocol. These reports can be found at www.theclimateregistry.org.

Within 24 months of the Series V-2 Bonds closing, Kestrel Verifiers will provide one Post-Issuance Report to the Climate Bonds Initiative. It is expected that all proceeds of the Series V-2 will be spent at the time of the Post-Issuance Report. Stanford will also post this report on the University's website, and voluntarily at their discretion on EMMA.

Impact and Alignment with UN SDGs

Many activities at Stanford support and advance the vision of the UN SDGs. The *2030 Agenda for Sustainable Development* adopted by all United Nations member states in 2015 provides “a shared blueprint for peace and prosperity for people and the planet.” The United Nations’ Agenda describes 17 SDGs. The University maps achievements in various areas to the UN SDGs in an annual Sustainability at Stanford Report. At a bond-financed activity scale, the Series V-2 Bonds directly support UN SDGs 7, 9, 12, and 13 by financing University building and facility improvements that align and advance goals to reduce energy use intensity, reach zero emissions, and integrate climate action into all aspects of capital planning and project evaluation. A comprehensive list of targets and background on UN SDG 7, 9, 12, and 13 is available on the United Nations’ website: www.un.org/sustainabledevelopment



UN SDG	Green Category (SDG Targets) ¹	Possible Indicators
	<ul style="list-style-type: none"> Energy Efficiency (Target 7.3) 	<ul style="list-style-type: none"> Energy use intensity of built area Avoided GHG emissions (CO₂-eq)
	<ul style="list-style-type: none"> Sustainable Infrastructure (Target 9.4) 	<ul style="list-style-type: none"> Reduction in grid energy demand as a result of upgrades Reduction in number of curtailment days
	<ul style="list-style-type: none"> Responsible Consumption and Production (Target 12.2) 	<ul style="list-style-type: none"> Reduction of fossil fuel use
	<ul style="list-style-type: none"> Climate Action (Target 13.2) 	<ul style="list-style-type: none"> Adoption of long-term GHG emission reduction strategy Total GHG emissions per year

The University’s construction and renovation projects that meet green building standards and reduce energy and water use advance Targets 7.3 and 12.2. Target 9.4 is primarily advanced through the upgrades to the Chiller Plant at the innovative Central Energy Facility. The Series V-2 Bonds support Target 13.2 by integrating climate action into long-term planning and the project selection process for the bond-financed projects.

¹ SDG Targets:

7.3 By 2030, double the global rate of improvement in energy efficiency

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

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

13.2 Integrate climate change measures into national policies, strategies and planning

CONCLUSION

Based on the Reasonable Assurance procedures we have conducted, in our opinion, the Series V-2 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. Stanford's capital improvement projects enable campus growth while reducing GHG emissions. Stanford is exemplary in its leadership on effectively advancing bold goals for climate action in a higher education and research institution.

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

DISCLAIMER

This opinion 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 (March 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 Stanford. The report delivered by Kestrel Verifiers does not address financial performance of the Series V-2 Bonds or the effectiveness of allocation of its proceeds. This report does not make any assessment of the creditworthiness of Stanford, or its ability to pay principal and interest when due. This is not a recommendation to buy, sell or hold the Series V-2 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 certifies that there is no affiliation, involvement, financial or non-financial interest in Stanford or the projects discussed. Language in the offering disclosure supersedes any language included in this Verifier's Report.



Appendix A

Middle Plaza: Located along El Camino Real in Menlo Park, Middle Plaza is a mixed-use development which will provide 215 units for faculty and staff housing. The location has nearby transit options and was designed with bicycle and pedestrian pathways. The development is expected to meet LEED Gold equivalency. The project is expected to be completed in summer 2022.

Center for Academic Medicine: This newly constructed building will be part of the Stanford School of Medicine and will house clinical faculty, computational researchers, departmental leadership, and consolidate several administrative offices.

Bonair Replacement Building: This building will house Land, Buildings & Real Estate (LBRE) operations including offices, shops, warehouse storage, a loading dock, and a small classroom. The building will incorporate technologies for maximizing energy efficiency such as automation of lighting and HVAC controls. By consolidating the needs of multiple teams, the building will reduce overall square footage needs. The building also supports a motor pool plan that reduces the number of overall vehicles, increases the number of electric vehicles, and expands the electric scooter and bike pool. Construction is expected to be completed in 2023.

Escondido Village Graduate Residences: The four residence buildings at Escondido have rooms for 2,400 graduate students with space totaling 1.8 million square feet. The energy use intensity is expected to be less than similar residence halls with air conditioning, partially due to targeted strategies that reduce lighting and equipment plug loads from residents.

Neuro/ChEM-H: Completed in 2019, the new research complex co-located Stanford Neurosciences Institute and Stanford ChEM-H and host more than 40 laboratories, core research facilities, and collaborative spaces. Energy management features include background ventilation setback, recycled air in lab ventilation, improved roof and wall insulation, high performance window glazing and shades, and a 4-pipe distributed heating and cooling system.

BioMedical Innovations Building 1: Completed in 2019, the BioMedical Innovations Building 1 is the first in a series of buildings constructed to replace outdated laboratory and research facilities. Energy management features on this building include an innovative HVAC system that reduces peak energy consumption by over 50%, exhaust air heat recovery, efficient lighting, and high performance window glazing and shades.

Maintenance and Capital Improvements: Projects include chilled water line expansion, Americans with Disabilities Act (ADA) accessibility upgrades, seismic upgrades, electrical conduit improvements, alarm upgrades, and other improvements.

