



8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

**Building a better
working world**

Independent Limited Assurance Report to the Directors and Management of The GPT Group

Assurance Conclusion

Based on our limited assurance procedures described below, nothing has come to our attention that causes us to believe that The GPT Group's Sustainable Debt Framework and nominated assets pool (as attached at Annex B), ('the Subject Matter'), do not meet the project identification, project minimum Criteria, management of proceeds, and reporting requirements of the Climate Bond Initiative's *Climate Bonds Standard v3.0*, the International Capital Market Association's *Green Bond Principles (June 2021)* and *Sustainability-Linked Bond Principles (June 2020)*, the Loan Market Association's *Green Loan Principles (February 2021)* and *Sustainability Linked Loan Principles (July 2021)*, ('the Criteria').

Background

The GPT Group ('GPT') has developed its Sustainable Debt Framework (the 'Framework') to further its focus on sustainability and to support its sustainability initiatives and outcomes. The Framework sets out how GPT and its managed funds intend to issue and manage Sustainable Debt Instruments on an ongoing basis.

The International Capital Market Association ('ICMA') and the Loan Market Association ('LMA') provide the market standards which set out voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking environmental, social and governance outcomes and promote integrity in the development of the sustainable finance instruments market by clarifying the approach for issuance, hereafter referred to as the "Principles".

Scope

Ernst & Young ('EY') has performed a limited assurance engagement in relation to GPT's Sustainable Debt Framework ('the Framework') and the associated potential nominated asset pool in order to conclude that nothing has come to our attention that the Framework does not meet the Criteria presented below.

Subject Matter and Criteria

Subject Matter	Criteria
<p>GPT's Sustainable Debt pre-issuance process, as described in GPT's Sustainable Debt Framework that sets out:</p> <p><i>For Proceeds based loans and bonds:</i></p> <ul style="list-style-type: none"> ▶ Policies and procedures related to the use of proceeds and management of proceeds raised from the debt instrument(s) ▶ Environmental performance and valuations relating to nominated projects and assets to be funded by the funds raised by the debt instrument(s) ▶ Procedures for reporting on the use of proceeds and performance of the debt instrument(s). <p><i>For Performance based loans and bonds:</i></p>	<ul style="list-style-type: none"> ▶ <i>Climate Bonds Standard v3.0 and the Climate Bond Standard Sector Eligibility Criteria</i> for: <ul style="list-style-type: none"> ▶ Low Carbon Buildings - Commercial Buildings ▶ Other criteria as applicable to the debt instrument(s) ▶ <i>Green Bond Principles (June 2021)</i> published by ICMA ▶ <i>Sustainability-Linked Bond Principles (June 2020)</i> published by ICMA

<ul style="list-style-type: none"> ▶ Relationship to GPT's overall corporate social responsibility strategy ▶ Target setting - measuring the sustainability of GPT ▶ Loan characteristics - determining the link between economic outcomes and the targets set ▶ Reporting ▶ Verification 	<ul style="list-style-type: none"> ▶ <i>Green Loan Principles (February 2021)</i> published by LMA ▶ <i>Sustainability Linked Loan Principles (July 2021)</i> published by LMA
--	--

Management Responsibility

The management of GPT is responsible for the collection, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support assertions made in the Framework.

Assurance Practitioner's Responsibility

EY's responsibility is to express a limited assurance conclusion on the noted subject matter as defined above. We are also responsible for maintaining our independence and confirm that we have met the requirements of the APES 110 *Code of Ethics for Professional Accountants* including independence and have the required competencies and experience to conduct this assurance engagement.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls 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. 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, these procedures were 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

We conducted our procedures in accordance with the *Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with GPT on 25 August 2021.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- ▶ Reviewing the policies and procedures established by GPT related to the Framework to assess whether they were aligned to the requirements detailed in the Criteria
- ▶ Interviewing selected group level personnel to understand key issues related to GPT's relevant policies and procedures
- ▶ Confirming eligibility of nominated projects for inclusion in GPT's associated potential nominated asset pool against the Criteria
- ▶ Interviewing selected business unit and group level personnel to understand key issues related to GPT's policies and procedures
- ▶ Reviewing selected performance information for potential nominated assets, and 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
- ▶ Confirming internal systems and processes were functioning as indicated and obtaining supporting evidence
- ▶ Confirming the total value of the General Property Trust ('GPT') and the GPT Wholesale Office Fund ('GWOFF') asset pools that will dictate the maximum value of possible debt instruments
- ▶ Reviewed the selection of metrics to be considered when selection of KPIs and associated SPTs to determine the relevance to the overall business
- ▶ Assessing the materiality of the KPIs included in the Framework
- ▶ Considering the measurability and the ability to quantify and assess the KPIs on a consistent basis
- ▶ Understanding the systems planned to be in place to support the reporting requirements stipulated in the Framework
- ▶ Seeking management representation on key assertions.

Observations from our assurance approach

The following observations, which do not affect our conclusions expressed above, were identified in the execution of our procedures:

- ▶ GPT's Sustainable Debt Framework provides and overview of GPT's broader Environmental, Social and Governance ('ESG') issues and addresses the core requirements of the Criteria
- ▶ All assets listed in Annex B currently meeting the Low Carbon Buildings - Commercial Buildings Criteria

- ▶ The identified metrics to be considered when setting KPIs relate to material ESG issues for GPT
- ▶ GPT plans to report on an annual basis, which will include at a minimum the sustainability performance of the assets. The performance data will be assured annually.

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 is subjective and will be interpreted differently by different stakeholder groups.

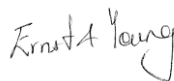
Our assurance was limited to the Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 7 October 2021.

Independence

We confirm that EY has complied with all professional regulations relating to Independence in relation to this engagement. EY has stringent policies and procedures in place to ensure independence requirements are addressed and monitored on a timely basis.

Use of Report

Our responsibility in performing our assurance activities is to the Directors and Management of GPT and its managed funds, and for the Climate Bonds Initiative, for the sole purpose of reporting on GPT's compliance with the Climate Bonds Standard. 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 the Framework is entirely at its own risk. No statement is made as to whether the Criteria are appropriate for any third-party purpose.



Ernst & Young



Terence Jeyaretnam, FIEAust EngExec
Partner
Melbourne, Australia
7 October 2021

Annex A

Proceeds-based Criteria

GPT's Sustainable Debt Framework was assured against the following requirements as specified in the Climate Bonds Standard v3.0, Green Bond Principles (June 2021) and Green Loan Principles (February 2021).

Ref	Significant Process	Risks	Testing Procedures
1	Use of Proceeds	<ul style="list-style-type: none"> ▶ That decision making processes to select nominated projects and assets are inadequate (and therefore assets that do not provide clear sustainability benefits are included in a debt instrument). ▶ That the expected Net Proceeds of the debt instrument exceeds the fair market value of the proposed nominated projects and assets. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to determine whether processes and controls are adequately in place to ensure appropriate use of proceeds. ▶ EY conducted a process interview with GPT to understand further detail regarding internal processes and controls. ▶ EY verified the expected net proceeds of the debt instrument, based on the fair market value of the proposed nominated assets and projects, against external valuation reports.
2	Process for Evaluation and Selection of Projects & Assets	<ul style="list-style-type: none"> ▶ That decision making processes to select nominated projects and assets are inadequate. ▶ That nominated projects and assets are already nominated to another debt instrument. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to determine whether decision making processes with respect to selecting nominated projects and assets were adequate. ▶ EY conducted a process interview with GPT to understand whether nominated projects and assets are already nominated to another debt instrument, and if so, EY determined whether parts could be distinguished.
3	Management of Proceeds	<ul style="list-style-type: none"> ▶ That net proceeds of the debt instrument are not appropriately tracked. ▶ That unallocated proceeds are not appropriately managed. ▶ That an appropriate earmarking process to manage and account for funding to the Nominated Projects & Assets is not in place. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to determine whether processes and controls are adequately in place to track proceeds. ▶ EY conducted a process interview with GPT to understand further detail regarding internal processes and controls.
4	Reporting Prior to Issuance	<ul style="list-style-type: none"> ▶ That proposed debt instrument disclosure documentation is insufficient. ▶ That periodic assurance engagements are not sufficiently planned for to meet the post-issuance requirements of the CBI standard. 	<ul style="list-style-type: none"> ▶ EY reviewed processes and procedures in place in relation to debt instrument disclosure documentation including the public availability of the Sustainable Debt Framework. ▶ EY assessed whether periodic assurance engagements had been sufficiently planned for.

Confidential

Annex A (cont'd)

Performance-based Criteria

GPT's Sustainable Debt Framework was assured against the following requirements as specified in the Sustainability-Linked Bond Principles (June 2020) and Sustainability Linked Loan Principles (July 2021).

Ref	Significant Process	Risks	Testing Procedures
1	Selection of Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> ▶ That decision making processes to select KPIs are inadequate (and therefore KPIs that are not relevant, core and material to the issuer's overall business). ▶ The KPIs are not material to the issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to determine whether processes and controls are adequately in place to ensure appropriate identification and negotiation of KPIs. ▶ EY conducted a process interview with GPT to understand further detail regarding internal processes and controls. ▶ EY ensured that those issues considered material to GPT in other external reporting were included in the Sustainable Debt Framework.
2	Calibration of Sustainability Performance Targets (SPTs)	<ul style="list-style-type: none"> ▶ That SPTs are not set in good faith and either not realistic or not ambitious. ▶ That SPTs are not consistent with the issuer's ESG strategy. ▶ That SPTs do not match the tenor of future debt instruments, cannot be benchmarked against peers or have not been established with referent to the science. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to determine whether processes and controls are adequately in place to ensure appropriate identification and negotiation of SPTs. ▶ EY ensured that those issues considered material to GPT in other external reporting were included in the Sustainable Debt Framework.
3	Instrument characteristics	<ul style="list-style-type: none"> ▶ That financial or structural impacts are not built into the debt instrument where SPTs are either reached or not reached. ▶ The financial and/or structural characteristics of the debt instrument are not commensurate or meaningful to the issuer. 	<ul style="list-style-type: none"> ▶ EY reviewed GPT's Sustainable Debt Framework to ensure that the characteristics of future debt instruments had been considered. ▶ EY conducted a process interview with GPT to understand further detail regarding internal processes and controls.
4	Reporting	<ul style="list-style-type: none"> ▶ That proposed debt instrument disclosure documentation is insufficient. 	<ul style="list-style-type: none"> ▶ EY reviewed processes and procedures in place in relation to debt instrument disclosure documentation including the public availability of the Sustainable Debt Framework.
5	Verification	<ul style="list-style-type: none"> ▶ That periodic assurance engagements are not sufficiently planned for to meet the post-issuance requirements of the principles. 	<ul style="list-style-type: none"> ▶ EY assessed whether periodic assurance engagements had been sufficiently planned for.

Confidential

Annex B

Potential nominated asset pool

The pool of potential nominated assets for the General Property Trust ('GPT') and the GPT Wholesale Office Fund ('GWOFF') are listed below.

Potential Nominated Asset	Ownership	Class	Country
GPT			
Australia Square	50%	Low Carbon Buildings	Australia
60 Station Street	100%		
4 Murray Rose Avenue	100%		
Melbourne Central - Office Portion	100%		
181 William Street	50%		
550 Bourke Street	50%		
One One One Eagle Street	33.3%		
2 Park Street	50%		
Darling Park 1	25%		
Darling Park 2	25%		
GWOFF			
150 Collins Street	100%	Low Carbon Buildings	Australia
161 Castlereagh Street	50%		
2 Southbank Boulevard	100%		
530 Collins Street	100%		
655 Collins Street	100%		
8 Exhibition Street	50%		
800-808 Bourke Street	100%		
CBW - 181 William Street	50%		
CBW - 550 Bourke Street	50%		
Darling Park 1	50%		
Darling Park 2	50%		
Darling Park 3	100%		
One One One Eagle Street	66.7%		
Riverside Centre	100%		
workplace6	100%		