

Independent reasonable assurance report
to the Management of Export Finance
Australia (EFA) in relation to compliance
with its Policy and Procedure for the
Environmental & Social review of
transactions, for the 2019 - 2020 and
2020 - 2021 reporting periods.

8 October 2021



Audit Details

Audited body

Name of proponent	Export Finance Australia (EFA)
Name of contact person for proponent	Ritchie Lees
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Contact person phone number	+61 2 8273 5272
Contact person email address	ritchie.lees@exportfinance.gov.au

Audit description

Kind of audit	Reasonable assurance
Objective of the assurance engagement	Assurance of EFA's application of its Policy and Procedure for environmental and social review of transactions.
Reporting periods covered by audit:	1 July 2019 - 30 June 2020 1 July 2020 - 30 June 2021
Date terms of engagement signed	30/06/21
Date audit report signed	08/10/21

Auditor details

Name of audit team leader	Terence Jeyaretnam
Organisation	EY
Phone number	+61 2 8295 6283
Address	200 George St, Sydney, NSW 2000, Australia
Names and contact details of other audit team members	<ul style="list-style-type: none">- Alex Lewin- Paula Rogers- Cassie Duffy- Angela Situ

Peer Reviewer details

Name of peer reviewer	Elizabeth Rose
Organisation	EY
Address	111 Eagle Street, QLD 4000, Australia

Our conclusion

To Export Finance Australia (EFA),

We have conducted a reasonable assurance engagement for all transactions completed by EFA for the reporting period 1st July 2019 to 30th June 2021, to report on whether the transactions were examined in line with:

- EFA's Policy for environmental and social review of transactions (the "Policy" or "EFA Procedure", version of 24 February 2021, available from the EFA website); and
- EFA's Procedure for environmental and social review of transactions (the "Procedure" or "EFA Procedure", version of 24 February 2021, available from the EFA website)

1.1 Responsibility of EFA

The management of EFA is responsible for:

- ▶ Ensuring that the environmental and social review of transactions occurring between 1st July 2019 and 30th June 2021 had been performed fairly and in accordance with the EFA Policy and Procedure.
- ▶ Establishing and maintaining internal controls sufficient to ensure consistent final review of transactions and projects in accordance with the requirements of the EFA Policy and Procedure.

1.2 Our independence and quality control

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

- ▶ In accordance with *Australian Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, EY maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- ▶ EY has met the independence requirements of the *APES 110 Code of Ethics for Professional Accountants*.

1.3 Our responsibility

Our responsibility is to express an opinion as to whether EFA has complied with the EFA Policy and the EFA Procedure for the period 1st July 2019 to 30th June 2021, in all material respects.

We conducted our reasonable assurance engagement in accordance with *Australian Standards on Assurance Engagements ASAE3100 Compliance Engagements* ("ASAE3100"), as issued by the Australian Auditing and Assurance Standards Board. The nature, timing and extent of procedures selected depend on the audit team leader's judgement, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error.

In making those risk assessments, we considered relevant internal controls relevant to the EFA's application of the Policy and Procedure in order to design assurance procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of EFA's internal control over the environmental and social review of transactions.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.4 Summary of procedures undertaken

The procedures conducted in our reasonable assurance engagement included:

- ▶ Interviews with EFA management responsible for the performance and reporting of the assessment of transactions against the requirements of the Policy and the Procedure to confirm operation of the internal control environment
- ▶ Interviews with EFA personnel responsible for compliance to understand the internal control environment as it relates to information security and fraud
- ▶ Development of a review checklist and associated work papers based on the requirements set out in the EFA Procedure
- ▶ Assessment of a sample of transactions for compliance with the EFA Policy and Procedure and to test the control environment

Category	Number
Category A	1 (all)
Category B	8 (all)
Category C	13 (all)
Other	25 from 339

- ▶ Desktop research where necessary to gather publicly available information related to certain transactions
- ▶ Reporting of our conclusion.

As part of this engagement, we identified opportunities and made suggestions on how risk assessment, internal data collection and reporting systems can be improved. These do not impact our stated conclusion.

1.5 Use of our reasonable assurance engagement report

This report represents the assurance provider's independent opinion. EY's responsibility in performing its assurance activities was to the management of EFA alone and in accordance with the scope of work agreed with EFA (Appendix 2).

Accordingly, we expressly disclaim and do not accept any responsibility or liability to any other party either on the reliance on this Assurance Statement or on the subject matter to which it relates, to any person other than the management of EFA, or for any purpose other than that for which it was prepared. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

1.6 Inherent limitations

A reasonable assurance engagement consists of making enquiries, primarily of persons responsible for performance of the environmental and social review, applying analytical and other review procedures, and examination of evidence for a number of transactions and, where relevant, associated projects. The review procedures selected depend on the auditor's professional judgment, including assessment of the

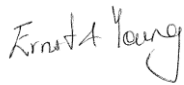
risks of material misstatement of the review prepared by EFA, whether due to fraud or error. In making this audit assessment, we considered internal controls relevant to the entity's performance of the transaction review process in order to design procedures that are appropriate. While we considered the effectiveness of EFA's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

A reasonable assurance engagement as to EFA's application of its Policy and Procedure for environmental and social review of transactions throughout the relevant period does not provide assurance as to whether compliance with the requirements will continue in the future.

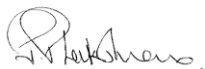
Additionally, non-financial performance data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

1.7 Our conclusion

In our opinion, the environmental and social review of transactions and, where relevant, their associated projects, completed by EFA between 1st July 2019 to 30th June 2021, was properly completed, in all material respects, in accordance with the requirements of the EFA *Policy for environmental and social review of transactions* and the EFA *Procedure for environmental and social review of transactions*.



Ernst & Young



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Melbourne
8 October 2021