

## **INDEPENDENT ASSURANCE REPORT ON THE AIR NEW ZEALAND GROUP 2018 GREENHOUSE GAS EMISSIONS INVENTORY REPORT TO THE BOARD OF DIRECTORS OF AIR NEW ZEALAND LIMITED**

### **Report on Greenhouse Gas Emissions Inventory Report**

We have undertaken a reasonable assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'Inventory Report') of Air New Zealand Limited ("Air NZ", the "Group" or the "Company") for the year ended 30 June 2018, comprising the Emissions Inventory Report and explanatory notes set out on pages 1 to 7.

The Inventory Report provides information about the greenhouse gas emissions of the Air NZ Group for the year ended 30 June 2018 and is based on historical information. This information is stated in accordance with the requirements of the Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (2004)* ('the GHG Protocol').

### **Board of Directors' Responsibility**

The Board of Directors are responsible for the preparation of the Inventory Report, in accordance with the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of an Inventory Report that is free from material misstatement, whether due to fraud or error.

### **Our Responsibility**

Our responsibility is to express an opinion on the Inventory Report based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Inventory Report is free from material misstatement.

We did not evaluate the security and controls over the electronic publication of the Inventory Report.

A reasonable assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the Inventory Report. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Inventory Report. In making those risk assessments, we considered internal control relevant to the Group's preparation of the Inventory Report. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of the Group's use of the GHG Protocol as the basis for preparing the Inventory Report;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by the Group; and
- Evaluating the overall presentation of the Inventory Report.

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

### **Inherent Limitations**

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte is the Appointed Audit Firm on behalf of the Office of the Auditor General. In addition to this engagement and the financial statement audit, we have carried out other assignments in the areas of taxation, review of the interim financial statements and other assurance and non-assurance services, which are compatible with those independence requirements. Other than in the above capacities, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners

In addition, principals and employees of our firm deal with the Group on arm's length terms within the ordinary course of trading activities of the business of the Group.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly 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.

## **Use of Report**

Our assurance report is made solely to the directors of attaching Air New Zealand Limited in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the directors those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors of Air New Zealand Limited for our work, for this assurance report, or for the conclusions we have reached.

## **Opinion**

In our opinion, the Inventory Report of Air New Zealand Limited for the year ended 30 June 2018 has been prepared, in all material respects, in accordance with the requirements of the GHG Protocol.

The signature 'Deloitte Limited' is written in a cursive, handwritten style in black ink.

Auckland, New Zealand  
21 September 2018