

Reasonable assurance engagement report on Aurizon Holdings Limited's prepared under Section 19 of the National Greenhouse and Energy Reporting Act 2007 for the reporting period ended 30 June 2018 to the Directors of Aurizon Holdings Limited

Part A – Auditor's Report

We have undertaken a reasonable assurance engagement over Aurizon Holdings Limited's ('Aurizon') energy and emissions report ('NGER Report') for the year ended 30 June 2018, compliance with Section 19 of the *National Greenhouse and Energy Reporting Act 2007* ('NGER Act').

The NGER Report consists of the following:

- Scope 1 greenhouse gas emissions of 578,614 tonnes of CO₂-e
- Scope 2 greenhouse gas emissions of 367,371 tonnes of CO₂-e
- Energy production of 2,533,783 GJ
- Energy consumption of 12,453,960 GJ

for the year ended 30 June 2018.

Details of audited body

Name of audited body	Aurizon Holdings Limited
Address	Level 8, Ann Street Brisbane QLD 4000
ABN	47 564 947 264

Directors and Management's Responsibility

Directors and management of Aurizon are responsible for the preparation and fair presentation of Aurizon's NGER Report in accordance with Section 19 of the NGER Act, in all material respects. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the NGER Report that is free from material misstatement, whether due to fraud or error.

Directors and management of Aurizon are responsible for the interpretation and application of the requirements of the NGER Act and the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* ('NGER Measurement Determination') in determining operational control and quantifying emissions and energy, which is reflected in a Basis of Preparation.

Emissions quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emission factors and the values needed to combine emission due to different gases.



Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This includes all of the requirements as defined in the *National Greenhouse and Energy Reporting Regulations 2008* ('NGER Regulations') regarding the Code of Conduct, independence and quality control.

The firm applies Auditing Standard *ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, 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.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion, on Aurizon's NGER Report for the year ended 30 June 2018, based on the procedures we performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2009* ('NGER Audit Determination') and the Standard on Assurance Engagements *ASAE 3410 Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410') in order to express an opinion whether, based on the procedures performed and the evidence obtained, the NGER Report is free from material misstatement, in accordance with the NGER Act and associated NGER Regulations and guidance.

We read other information included within the Aurizon NGER Report and considered whether it was consistent with the knowledge obtained through our procedures. We considered the implications for our report if we became aware of any apparent material inconsistencies with the NGER Report. Our responsibilities did not extend to any other information.

A reasonable assurance engagement in accordance with the NGER Audit Determination and ASAE 3410 involves performing procedures to obtain evidence about the greenhouse gas emissions, energy production and energy consumption disclosures in the Aurizon NGER Report. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the risks of material misstatement or material non-compliance of the NGER Report, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the NGER Report.

In making those risk assessments, we consider internal control relevant to Aurizon's compliance with the NGER Act 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 Aurizon's internal control as it relates to the Aurizon NGER Report. These include such procedures as analyzing procedures that Aurizon used to gather data, testing of calculations that Aurizon performed, and identifying and testing assumptions supporting the calculations performed by management. An assurance engagement also includes:

- Evaluating the appropriateness of the quantification methods and reporting policies used, and the reasonableness of emissions estimates made by management of Aurizon;
- Assessing the suitability in the circumstances of Aurizon's selection of measurement methods and criterion provided in the NGER Measurement Determination as the basis for the preparation of the NGER Report;

- Evaluating the application of the activity definitions in determining facility boundaries and operational control in determining controlling corporation boundaries; and
- Evaluating the overall presentation of the NGER Report.

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

As audit team leader, I attest that the assurance engagement was carried out in accordance with the assurance engagement terms, the requirements of the NGER Regulations, the NGER Audit Determination and ASAE 3410.

Limitation of Use

This report has been prepared for the Directors of Aurizon for the sole purpose of reporting on the NGER Report in accordance with Section 19 of the NGER Act. We understand that a copy will be provided to the Clean Energy Regulator ('CER') for the purpose of reviewing Aurizon's compliance with the NGER Act and NGER Regulations. We agree that a copy of the report may be provided to the CER for this purpose.

We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than Aurizon, or for any purpose other than that for which it was prepared.

Inherent Limitations

There are inherent limitations in performing an assurance engagement - 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. An assurance engagement is not designed to detect all instances of non-compliance with the NGER Act and NGER Regulations, as an assurance engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with the NGER Act and NGER Regulations are undertaken on a test basis.

Additionally, non-financial 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.

Emissions quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emission factors and the values needed to combine emissions due to different gases.

Opinion

In our opinion, Aurizon has reported its greenhouse gas emissions, energy production and energy consumption in accordance with Section 19 of the NGER Act, in all material respects, for the period 1 July 2017 to 30 June 2018.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chi Mun Woo

Chi Mun Woo
Partner