

INDEPENDENT ASSURANCE REPORT ON THE AIR NEW ZEALAND GROUP 2017 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 the Air New Zealand Group ("Air NZ", the "Group" or the "Company") for the year ended 30 June 2017, comprising the 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 2017 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.

Auditors' 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.

A reasonable assurance engagement 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 the audit, we have provided this assurance service which is compatible with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. We were also engaged to provide a data quality review of selected non-financial information to be reported in Air NZ's 2016 Sustainability Report, to provide informal feedback on the quality of Air NZ's non-financial reporting and 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 and employees of our firm deal with the Group on normal 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

This report is provided solely for your exclusive use and solely for the purpose of attaching this report to your Inventory Report. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in this report.

Opinion

In our opinion, the Inventory Report of the Group for the year ended 30 June 2017 has been prepared, in all material respects, in accordance with the requirements of the GHG Protocol.



Deloitte Limited
Chartered Accountants
25 September 2017
Auckland, New Zealand

This reasonable assurance report relates to the Greenhouse Gas Emissions Inventory Report of the Air New Zealand Limited Group for the year ended 30 June 2017 included on Air New Zealand Ltd's website. The Board of Directors is responsible for the maintenance and integrity of Air NZ's website. We have not been engaged to report on the integrity of Air NZ's website. We accept no responsibility for any changes that may have occurred to the 2017 Greenhouse Gas Emissions Inventory Report since it was initially presented on the website. The reasonable assurance report refers only to the Inventory Report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Inventory Report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the 2017 Greenhouse Gas Emissions Inventory Report and related reasonable assurance report dated 25 September 2017 to confirm the information included in the Inventory Report presented on this website.