

Carbon Reduction Scheme Administrator

7/08/2018

Dear Sir or Madam,

Audit of Carbon Reduction Scheme (CRS) Administrator Compliance Statement 2017

Clear Environment Pty Ltd was engaged by Origin Energy Electricity Limited (Origin Energy) to conduct a 'reasonable' assurance audit of the Carbon Reduction Scheme (CRS) Administrator Compliance Statement for the 2017 calendar year against the Carbon Reduction Scheme Governance Structure (April 2016), 'CRS Rule 2 Verification Framework' (the CRS Rule). The purpose of the audit was to verify that the correct volume and type of carbon offsets have been surrendered to meet CRS product demand for the 2017 calendar year.

Audit Scope

The scope of this audit is provided by the CRS Rule as follows:

The annual CRS Administrator Compliance Statement prepared by the CRS Administrator shall be independently verified by a CRS Category 1 Auditor to verify:

- The amount of carbon offsets contracted to CRS Product Providers, by reference to CRS Product verification statements and audit reports.
- The amount of source Eligible Abatement surrendered by CRS Accredited Product Providers.
- Sufficient VERs have been permanently retired or acquitted to meet the liability of the total CRS Carbon Offsets sold by CRS Product Providers less any shortfall amounts.
- The Statement is based on accurate and reliable records.

Verification of the greenhouse gas emissions associated with the sales of the CRS Products, as well as the volume of sales made, are outside the scope of this audit as these have been verified by GHD Pty Ltd (2017 CRS Product Compliance Statement Audit Report, 4 July 2018).

Audit Procedures

In completing this audit, we conducted such tests and procedures, as we considered appropriate, including:

- Visiting Origin Energy's offices to check CRS records.
- Holding discussions with the following Origin Energy personnel in relation to the implementation of the CRS:
 - Team Leader - Wholesale Business Services.
 - Senior Carbon Analyst - Wholesale Business Services.
- Confirming inputs in the CRS Administrator Compliance Statement from records, such as the CRS Product Compliance Statement Audit Report and evidence of surrender of abatement.
- Confirming the eligibility of abatement.

- Confirming that arithmetical calculations in the CRS Administrator Compliance Statement are fairly presented.
- Reviewing relevant documentation.

This report has been prepared for distribution to Origin Energy. We disclaim any assumption of responsibility for any reliance on this report to any person other than Origin Energy, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations in any internal control structure it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the audit was not designed to detect all weaknesses or errors in internal controls so far as they relate to the requirements set out above as the audit has not been performed continuously throughout the period and the procedures performed on the relevant internal controls were on a test basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the CRS Administrator Compliance Statement relating to the period 1 January 2017 to 31 December 2017 is fairly presented, and in all material respects, in accordance with the requirements of the Carbon Reduction Scheme Governance Structure (April 2016), 'CRS Rule 2 Verification Framework'. Specifically, the sales volumes and carbon offset acquittals of 98,123 tonnes CO₂-e for 2017 have been accurately documented and sufficiently acquitted.

Yours faithfully

Clear Environment Pty Ltd



Greg Loftus

Category 1 Auditor as per CRS Rule 2

Sydney, 7 August 2018