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# Independent Assurance Report to the Directors of Climate Friendly Pty Ltd

## *What we found*

In our opinion, the GoldPower Assertion has been prepared, in all material respects, in accordance with the GoldPower Policy for the 1 January 2013 to 31 December 2013 period.

## *What we did*

Climate Friendly Pty Ltd ("Climate Friendly") engaged us to perform a reasonable assurance engagement on the preparation of the GoldPower Assertion in accordance with the GoldPower Policy for the 1 January 2013 to 31 December 2013 period.

### *Subject matter*

The subject matter of our assurance engagement comprised the GoldPower Assertion appended to this Report. The Reporting Criteria against which we assessed the subject matter comprise the GoldPower Policy appended to this Report.

### *Inherent limitations*

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. 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 estimating such data.

## *Reasonable assurance*

A reasonable assurance engagement is one designed to obtain evidence that the GoldPower Assertion is prepared in accordance with the relevant criteria. The procedures selected to obtain this evidence depend on the practitioner's judgement, as does the assessment of whether any non-compliance is material.

## *Restriction on use*

This report has been prepared for the purpose of determining the accuracy of the GoldPower Assertion and may not be suitable for any other purpose.

Our report is intended solely for the Directors of Climate Friendly for the purpose described above. We permit Climate Friendly to share this report with its stakeholders to enable those stakeholders to confirm that an independent assurance engagement has been commissioned by the Directors of Climate Friendly. However we accept no responsibility or liability to such stakeholders for any loss occasioned as a result of access to or reliance upon this report.

## *Responsibilities*

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Our responsibility is to express an opinion based on the work we performed.

### Climate Friendly Pty Ltd

Climate Friendly management is responsible for the preparation and presentation of the subject matter in accordance with the Reporting Criteria.

## *What our work involved*

We conducted our work in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This Standard requires that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

## *Main procedures performed*

- Agreeing details for a sample of the GoldPower sold and recorded in the internal carbon accounting system to customer invoices and web sales documentation.
- Performing enquiry procedures with management to understand the controls in place that ensure that the GoldPower assertion has been prepared in accordance with the GoldPower Policy.
- Reviewing the calculation of GoldPower certificates and agreeing GoldPower sales to documentation supporting the retirement of the requisite credits on the designated registries.

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

John Tomac　　PricewaterhouseCoopers

John Tomac
Partner

PricewaterhouseCoopers
Sydney

24 June 2014

*PricewaterhouseCoopers, ABN 52 780 433 757*
*Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171*
*T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

19 June 2014

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## Climate Friendly GoldPower Assertion

The Chief Executive Officer of Climate Friendly Pty Ltd asserts that for the period 1 January 2013 to 31 December 2013:

- All GoldPower™ sold by Climate Friendly during the period has been created from eligible Gold Standard carbon offset credits[1], in accordance with our established procedures, and has been completely and accurately recorded in Climate Friendly's internal carbon accounting system.
- All GoldPower™ reported as sold by South Pole Carbon Asset Management Ltd has been completely and accurately recorded by Climate Friendly.
- At the time of this assertion, all carbon offset credits used to create GoldPower™ sold during the period have been retired on the relevant registries.

This assertion has been made based on the GoldPower™ Accounting and Reporting Policy attached as Appendix 1.

This assertion is made by Freddy Sharpe as Chief Executive Officer of Climate Friendly Pty Ltd:

Signed:

Date: 19/06/14

[1] VERs and CERs accredited by the Gold Standard Foundation and issued: on the Markit Registry (for VERs); and on the CDM Registry or any national emissions trading registry (for CERs).

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# Appendix 1:
# 2013 GoldPower™ Accounting and Reporting Policy

- GoldPower™ is a proprietary MWh-based renewable energy product developed by Climate Friendly and sold by Climate Friendly and South Pole Carbon. GoldPower™ comes from renewable energy projects which have been accredited by The Gold Standard Foundation[1], assuring their contribution to sustainable development and the additionality of their emission savings.

- Sales of GoldPower™ are underpinned by the retirement of GoldPower™-eligible Gold Standard carbon credits. The number of credits retired is calculated using an established process which ensures that the credits represent total MWh of electricity generation at least equal to the buyer's electricity consumption, and total $tCO2e$ emission reductions at least equal to the emissions associated with that consumption.

- A complete and accurate record of the details of all GoldPower™ transactions is maintained on the GoldPower Register (http://goldpower.net/goldpowerregister.pdf), which is updated on a quarterly basis.

- All sales of GoldPower™ are accurately accounted for in accordance with established procedures. All conversion factors used in those procedures are obtained from generally accepted published sources, or agreed explicitly with clients.

- All carbon offset credits used for the creation of GoldPower™ are Gold Standard VERs or CERs, from grid-connected renewable electricity projects.

- All carbon offset credits used in the creation of GoldPower™ are retired on the relevant registries[2] subsequent to confirmation of their sale.

- Climate Friendly is committed to an independent evaluation of the accounting and reporting processes relating to the GoldPower™ product in order to confirm compliance with this Policy.

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[1] http://www.goldstandard.org/

[2] Markit (VERs); the CDM Registry or any UNFCCC-approved national emission registry (CERs)



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