

National Greenhouse and Energy Reporting audit report (reasonable) of the Section 19 energy and emissions report

Audit report coversheet

Audited body

Name of audited body	OZ Minerals Limited
Name of contact person for audited body	Tim Richards
Contact person phone number	+61 401 734 160
Contact person email address	Tim.Richards@ozminerals.com

Reporting requirements

Total scope 1 emissions for audited body	87,400 tonnes of CO ₂ -e
Total scope 2 emissions for audited body	227,546 tonnes of CO ₂ -e
Total energy consumption for audited body	3,633,341GJ
Total energy production for audited body	1,680 GJ

Audit description

Kind of audit	Reasonable assurance
Objective of the assurance engagement	Assurance on scope 1 emissions, scope 2 emissions, energy production and energy consumption in OZ Minerals Limited's energy and emissions report under s19 of the NGER Act.
Reporting period covered by audit	1 July 2021 to 30 June 2022
Audit fee (inclusive of GST and disbursements)	\$28,380
Total hours spent on the audit by audit team	100 hours
Non-audit fees paid to the audit team leader and audit firm for services and activities excluding this audit over the past 12 months	\$274,770
Why did the provision of non-Part 6 services or activities not result in a conflict of interest situation?	Other services and activities do not relate to the subject matter assured as part of this engagement.
Date terms of engagement signed	1 April 2021
Date audit report signed	21/10/22

Auditor details

Name of audit team leader	Julia Bilyanska
GEA registration number	0074/2010
Organisation	KPMG
Phone number	(03) 9838 4036
Address	Tower Two, Collins Square, 727 Collins St, Melbourne, Victoria, 3008
Names and contact details of other audit team members	Louis Snelson – lsnelson@kpmg.com.au Ellie Davies – edavies4@kpmg.com.au Rachael Brock – rbrock2@kpmg.com.au

<p>Details of exemptions under 6.71 of the NGER Regulations for the audit team leader or professional member of the audit team.</p> <p>These may include:</p> <ul style="list-style-type: none"> • conflict of interest and details of the procedures for managing conflict of interest • relevant relationships, and • exemptions for an audit team leader to carry out more than five consecutive greenhouse and energy audits in relation to the audited body. 	<p>No exemptions noted</p>
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Peer reviewer details

<p>Name of peer reviewer</p>	<p>Mark Spicer</p>
<p>Organisation</p>	<p>KPMG</p>
<p>Phone number</p>	<p>(02) 9335 8020</p>
<p>Address</p>	<p>Level 38, Tower 3, 300 Barangaroo Ave, Sydney, NSW, 2000</p>

Part A—Auditor’s report

To: Directors

We have conducted a reasonable assurance engagement of whether OZ Minerals Limited’s energy and emissions report for the period 1 July 2021 to 30 June 2022 has been prepared in accordance with section 19 of the NGER Act.

The energy and emissions report being audited, consists of the following:

- scope 1 greenhouse gas emissions: 87,400 tonnes of CO₂-e;
- scope 2 greenhouse gas emissions: 227,546 tonnes of CO₂-e;
- energy production: 3,633,341 GJ; and
- energy consumption: 1,680 GJ

Details of audited body

Name of audited body	OZ Minerals Limited
Address	2 Hamra Drive, Adelaide Airport SA 5950
ABN	40 005 482 824

Responsibility of OZ Minerals Limited’s management

Management of OZ Minerals Limited are responsible for preparation and presentation of the energy and emissions report in accordance with section 19 of the NGER Act, in all material respects. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the energy and emissions report that is free from material misstatement, whether due to fraud or error.

Management of OZ Minerals Limited is responsible for the interpretation and application of the requirements of the NGER Act and the NGER Measurement Determination in determining operational control and quantifying emissions and energy, which are reflected in a Basis of Preparation which will be provided to us.

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

Our independence and quality control

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

Furthermore, KPMG maintains:

- In accordance with Australian Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- In accordance with ISO 14065 *Greenhouse Gases—Requirements for Greenhouse Gas Validation and Verification Bodies for Use in Accreditation or Other Forms of Recognition* and the NGER Regulations, 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 an opinion on OZ Minerals Limited's scope 1 emissions, scope 2 emissions, energy production and energy consumption in the energy and emissions report, based on the procedures we have performed and the evidence we have obtained.

We have conducted our reasonable assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination) and relevant national and international standards, as listed below.

- Australian Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*

The NGER Audit Determination and relevant national and international standards require that we plan and perform this engagement to obtain reasonable assurance about whether the energy and emissions report is free from material misstatement.

A reasonable assurance engagement in accordance with the NGER Audit Determination and relevant national and international standards involves performing procedures to obtain evidence about the application of operational control requirements and the quantification of emissions and energy (scope 1 emissions/scope 2 emissions/energy production/energy consumption) in the energy and emissions report in accordance with the requirements of the NGER Act. 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 making those risk assessments, we considered internal control relevant to OZ Minerals Limited's preparation of the energy and emissions report.

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

Summary of procedures undertaken

The procedures we conducted in our reasonable assurance engagement included:

- Discussions to gather evidence;
- Process interviews to confirm our understanding of the measuring and reporting process of the reported GHG emissions and energy sources;
- Analysing procedures that the audited body used to gather data;
- Evaluation of management's interpretation of the NGER legislation;
- Inspection of documents;



- Analytical reviews of the GHG emissions and energy data;
- Agreeing the GHG emissions and energy data to underlying sources and evidence on a sample basis; and
- Testing of calculations that the audited body performed to determine GHG emissions.

More detailed procedures are included in Part B of the audit report.

Use of our reasonable assurance engagement report

This report has been prepared for the use of OZ Minerals Limited and the Clean Energy Regulator for the sole purpose of reporting on OZ Minerals Limited's energy and emissions report and their compliance with NGER Act. Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Clean Energy Regulator and OZ Minerals Limited for any consequences of reliance on this report for any purpose.

Inherent limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above 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. We specifically note that OZ Minerals Limited has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse and energy information.

Our conclusion

In our opinion the energy and emissions report of OZ Minerals Limited for the period 1 July 2021 to 30 June 2022 is prepared in accordance with section 19 of the NGER Act, in all material respects.

Julia Bilyanska

Partner

KPMG

Melbourne

21/10/22

Part B—Detailed findings

As required under section 3.23 of the NGER Audit Determination, audit team leaders must outline the following:

Issues requiring particular attention

There were no issues that impacted on the carrying out of the assurance engagement.

Aspects impacting on assurance engagement

There were no issues that impacted on the carrying out of the assurance engagement.

Contraventions of NGER legislation

During the carrying out of the assurance engagement the audit team leader did not identify any issue that she believes may lead to a contravention of the NGER Act or the NGER Regulations or applicable determinations.

Other matters

There are no other items that the audit team leader believes should be mentioned in the assurance report.

Audit findings and conclusions table

The results that are provided in the table below should not be construed as providing an opinion or conclusion on the matter being audited as a whole; instead, they should be read as providing evidence to support the conclusion.

These findings, conclusions and recommendations are designed to inform the audited body and the Clean Energy Regulator of any compliance issues and will be used, in part, to better inform regulatory decisions and broader advice to the regulated community.

Issue/risk area investigated	Testing conducted	Findings	Conclusion
Reporting boundary risks			
Whether the controlling corporation and facilities identified by OZ Minerals Limited are in compliance with the NGER Act	<ul style="list-style-type: none"> • Enquiries with Management to understand and assess reporting boundary considerations and decisions, including application of the operational control definition. • Review of OZ Minerals Limited’s website to identify other operational projects and discussions with Management around the level of activity conducted. • Review of OZ Minerals Limited’s group structure and other relevant documentation relating to the assessment of reporting boundaries. • Enquiries with Management around the appropriateness of inclusions/exclusion of certain operations and sites identified through our audit testing. 	<ul style="list-style-type: none"> • No material sites were identified to be included under OZ Minerals operational control within FY22. • No significant findings. 	No material misstatements were identified related to reporting boundaries.
GHG emissions and energy measurement and reporting			
Completeness of GHG emissions and energy data	<ul style="list-style-type: none"> • KPMG performed an analytical review of the emissions and energy data by comparing movements year on year. • KPMG compared energy consumption, energy produced and emissions to relevant benchmarks to confirm data was within expectations. Where data was outside expectations, KPMG obtained further commentary from site to explain movements. 	<ul style="list-style-type: none"> • Year on year movements observed in individual energy and emissions sources were in line with KPMG’s understanding of the business. 	No material misstatements identified in completeness of emissions and energy data.
Completeness of GHG emissions and energy sources	<ul style="list-style-type: none"> • Compared fuel sources reported to expectations based on: <ul style="list-style-type: none"> ○ Industry knowledge, 	<ul style="list-style-type: none"> • KPMG have not identified any unreported fuel sources. 	No material misstatements were identified in relation to unreported fuel sources.

Issue/risk area investigated	Testing conducted	Findings	Conclusion
	<ul style="list-style-type: none"> ○ Site knowledge gained through KPMG’s walkthrough and discussions with site personnel. 		
Completeness, existence and accuracy of diesel consumption	<ul style="list-style-type: none"> • Performed an interview to confirm the nature of usage of this fuel and traced the figure per the energy and emissions report to underlying documentation. • A breakdown of purchased quantities and combusted quantities throughout the year was obtained and compared to reported amounts. KPMG reconciled reported amounts to invoices. • Performed a reconciliation between purchased and combusted quantities and confirmed reporting is in line with the NGERs Measurement Determination. 	<ul style="list-style-type: none"> • Reconciliation of reported fuel deliveries and consumption agreed back to supplier invoices and correspondence for material sites. • No material misstatements identified. 	No material misstatements were identified in relation to diesel consumption.
Completeness, existence and accuracy of purchased electricity	<ul style="list-style-type: none"> • Performed an interview to confirm the nature of usage of purchased electricity and traced the figure per the energy and emissions report to underlying documentation. • A breakdown of purchased quantities throughout the year was obtained and compared to reported amounts. KPMG reconciled purchased electricity to monthly invoices. 	<ul style="list-style-type: none"> • Material increase in energy consumed through purchased electricity observed at single asset as a result of transitioning from diesel generators to grid. • No errors identified through invoice reconciliation. • No material misstatements identified. 	No material misstatements were identified in relation to purchased electricity.
Completeness, existence and accuracy of energy produced	<ul style="list-style-type: none"> • Performed an interview to confirm the nature of usage of energy produced and traced the figure per the energy and emissions report to underlying documentation. • A breakdown of produced quantities throughout the year was obtained and compared to reported amounts. KPMG reconciled reported amounts to invoices. 	<ul style="list-style-type: none"> • Material decrease in energy produced due to transitioning from diesel generators to grid electricity. Corresponding 	No material misstatements were identified in relation to energy produced.

Issue/risk area investigated	Testing conducted	Findings	Conclusion
		increase in electricity purchased observed at site. <ul style="list-style-type: none"> No material misstatements identified. 	
Calculation of emissions	<ul style="list-style-type: none"> Assessed the methodology and assumptions used by Management for compliance with the NGERs Measurement Determination. Recalculation of scope 1 and scope 2 emissions using emissions factors from the NGERs Measurement Determination. 	<ul style="list-style-type: none"> No errors identified through review of calculation methodology. No material misstatements identified. 	No material misstatements were identified in relation to emissions calculations.

Peer reviewer conclusion

Name of the peer reviewer	Mark Spicer
Peer reviewer's credentials	GEA registration number 0020/2010
Peer reviewer contact details	(02) 9335 8020 markspicer@kpmg.com.au
Outcome of the evaluation undertaken by the peer reviewer	I concur with the conclusions reached by the Auditor and the detailed findings as set out in this document.



Julia Bilyanska

Partner

KPMG

Melbourne
21-Oct-2022