



# **PUBLIC DISCLOSURE STATEMENT**

**NATIONAL AUSTRALIA BANK LIMITED**


**ORGANISATION CERTIFICATION  
FY2020–21**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**



An Australian Government Initiative



<b>NAME OF CERTIFIED ENTITY</b>	National Australia Bank Limited
<b>REPORTING PERIOD</b>	1 July 2020 – 30 June 2021
<b>DECLARATION</b>	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p>  <hr/> <p>Les Matheson Group Chief Operating Officer 10 March 2022</p>



**Australian Government**  
**Department of Industry, Science,  
Energy and Resources**

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Version September 2021. To be used for FY20/21 reporting onwards.



# 1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	77,554.51 tCO <sub>2</sub> -e <sup>1</sup>
OFFSETS BOUGHT <sup>2</sup>	11.6% ACCUs, 3.7% VERs, 84.7% VCU
RENEWABLE ELECTRICITY	55.8% <sup>3</sup>
TECHNICAL ASSESSMENT	Last completed on 29 October 2020 by KPMG Australia Next technical assessment due 30 June 2023

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<sup>1</sup> This number reflects NAB's Australian Climate Active liability for the 2021 environmental reporting year. In 2021, in total we offset 110,935 tCO<sub>2</sub>-e to maintain NAB Group's carbon neutrality.

<sup>2</sup> This is % of offsets allocated to neutralise NAB's FY2021 Australian Climate Active liability.

<sup>3</sup> This renewable electricity percentage covers electricity consumption for our Australian operations only and, in accordance with Climate Active requirements, includes the Renewable Power Percentage (RPP). In this way, this figure differs from the NAB Group % renewable electricity used to track progress against our RE100 commitment.

## 2. CARBON NEUTRAL INFORMATION

### Description of certification

National Australia Bank Limited (ABN 12 004 044 937) is certified carbon neutral for its Australian business operations<sup>4</sup>. NAB<sup>5</sup> was the first Australian bank to be certified carbon neutral under the National Carbon Offset Standard (NCOS) Carbon Neutral Program in 2010. Understanding and managing our carbon footprint and operating on a carbon neutral basis, for our defined carbon inventory, is part of NAB's strategy to respond to climate change. While our approach starts with managing and reducing our own emissions, we recognise we can drive further change by supporting our customers with their low-carbon transition plans. The Group's climate strategy therefore covers:

- A goal of aligning our lending portfolio to net zero emissions by 2050.
- Working with customers to decarbonise and build climate-related resilience.
- Managing climate risk.

Supported by:

- Actively reducing the Group's own emissions.
- Developing the climate capability of colleagues.
- Research, partnerships and engagement.

Further information can be accessed at [nab.com.au/environment](https://nab.com.au/environment).

This report provides an overview of NAB's approach to maintaining our Climate Active carbon neutral (organisation) certification and achievements in managing and reducing our carbon emissions<sup>6</sup>. NAB engages a Climate Active registered consultant from KPMG Australia to undertake an independent technical assessment of this report based on agreed upon procedures. The next technical assessment is due 30 June 2023.

### Organisation description

NAB and its controlled entities (together, NAB Group) is a financial services organisation that provides a comprehensive and integrated range of banking and financial products and services. NAB Group's primary operations are in Australia and New Zealand with branch offices in the United Kingdom (UK), the United States (US) and parts of Asia. This Public Disclosure Summary principally reports on the carbon neutral management and activities for the Australian-based operations of NAB Group.

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<sup>4</sup> Emissions generated internationally are offset annually so that the NAB Group remains carbon neutral in its operations. The Climate Active certification covers emissions from Australian-based operations only.

<sup>5</sup> For the remainder of this document the word "NAB" refers to the Australian operations of National Australia Bank Limited and its controlled entities.

<sup>6</sup> The term 'carbon emissions' covers greenhouse gas emissions from all relevant Kyoto Protocol gases and some CFCs and HCFCs under the Montreal Protocol.

## Emissions reduction strategy

### OUR GLOBAL CARBON EMISSIONS

NAB Group's global carbon emissions (net of UK certified renewable electricity, Large Generation Certificates (LGCs) surrendered, and carbon neutral paper purchased in Australia and New Zealand) for the 2021 environmental reporting year (1 July 2020 - 30 June 2021)<sup>7</sup> were 110,935 tCO<sub>2</sub>-e. Our net Australian carbon emissions account for around 93% of net NAB Group emissions<sup>8</sup>.

### EMISSIONS OVER TIME

The reduction in NAB's carbon emissions has largely been due to improvements in the energy efficiency of the buildings we occupy and an increase in our renewable energy purchases. During 2020<sup>9</sup> and 2021, reduction in carbon emissions compared with prior years has been significant due to changes in building occupancy and the way we work (reduced business travel and working from home) as a result of COVID-19.

### SUMMARY OF CHANGES TO THE CALCULATION METHODOLOGY

Changes made to carbon emissions sources and methodologies applied to NAB's carbon inventory since NAB's initial NCOS certification in 2010, have been the inclusion of refrigerants in 2011 and water in 2016. Since 2019, we have also adopted hotel stays emission factors published by the New Zealand Ministry of Environment (MfE). The MfE hotel stays emissions factors are based on modelling by the Edinburgh Centre for Carbon Management. This was the basis for NAB's own hotel stays emissions factors, which were applied in prior reporting years. Since 2020, the emission factors applied to our air travel activity include radiative forcing.

During 2020, we introduced a method for estimating the energy (gas and electricity) consumption and resultant emissions for colleagues working from home (WFH). This estimate was based on known number of employees working from home and it uses average household energy use as published by the Australian Energy Regulator. In 2021, we changed our methodology to align with Climate Active's, utilising their WFH calculator to account for these emissions.

### SUMMARY OF CHANGES TO THE GROUP CARBON INVENTORY

NAB Group's 2021 total market-based carbon emissions decreased by 26% compared with 2020. This was primarily driven by a reduction in business travel and scope 2 electricity related emissions (84% and 20% respectively), as COVID-19 restrictions on travel and office capacity continued throughout 2021.

In 2021, NAB Group's Scope 1 carbon emissions decreased by 35% compared with 2020. This was primarily due to a 16% decrease in business travel emissions from work use vehicles (petrol, diesel and hybrid) and a 59% decrease in stationary energy combustion (gas, diesel and propane).

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<sup>7</sup> For the remainder of this document "2021" refers to the 2021 environmental reporting year unless otherwise specified.

<sup>8</sup> This number does not reflect our Australian Climate Active liability of 77,554.51 tCO<sub>2</sub>-e. The Climate Active methodology for calculating market-based emissions incorporates the applicable renewable power percentage (RPP) for the reporting period. The RPP is not included in NAB's publicly reported market-based emissions calculations due to applicable emissions accounting requirements. Refer to [NAB's 2021 Sustainability Data Pack](#) for more information on NAB's publicly reported market-based emissions.

<sup>9</sup> "2020" in this document refers to the 2020 environmental reporting year (1 July 2019 – 30 June 2020) unless otherwise specified.

NAB Group's Scope 3 market-based carbon emissions decreased by 30% compared with 2020. Emissions from air travel decreased by 89% because of significantly reduced travel activity. We also saw a 19% reduction in emissions from base building electricity use and an 12% decrease in the associated transmission losses. These decreases were partially offset by a 338% increase in WFH emissions as a large portion of our workforce was working from home throughout 2021.

During NAB Group's 2021 financial year ending 30 September 2021, NAB sold MLC Wealth (MLC) to Insignia Financial Limited (formerly known as IOOF Holdings Limited) on 31 May 2021. As a result of this sale, NAB's MLC operations were only under its operational control for 11 months of 2021, therefore MLC is only included in NAB's carbon inventory for the corresponding 11-month period.

## 3.EMISSIONS BOUNDARY

### Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

**Quantified emissions** have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however, are **optionally included**.

**Non-quantified emissions** have been assessed as relevant and are captured within the emissions boundary but are not measured (quantified) in the carbon inventory. All material emissions will be accounted for through an uplift factor by 2023-2024. Further detail is available at Appendix B.

### Outside the emissions boundary

**Excluded emissions** are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix C.

## Inside emissions boundary for NAB's Australian Liability

### Quantified

- Stationary Energy – Diesel
- Stationary Energy – Gas
- Vehicle fleet fuels
- Building-based refrigerant leakage
- Vehicle fleet refrigerant leakage
- Stationary Energy – Electricity
- Stationary Energy – Base Building Gas
- Stationary Energy – Base Building Electricity
- Stationary Energy – Diesel (T&D losses)
- Stationary Energy – Gas (T&D losses)
- Vehicle fuels (T&D losses)
- Stationary Energy – Electricity (T&D losses)
- Stationary Energy – Base Building Gas (T&D losses)
- Stationary Energy – Base Building Electricity (T&D losses)
- Business flights
- Vehicle Personal fuels
- Taxi fuels
- Office paper
- Hotel Stays
- Rental vehicle fuels
- Waste to landfill
- Water
- Working from home

### Non-quantified

- Postage and freight

## Outside emission boundary for NAB's Australian Liability

### Excluded

- International emissions
- Employee commuting
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises
- Investments
- Capital goods
- Downstream transportation and distribution
- Upstream transportation and distribution

## Data management plan for non-quantified sources

'Postage and freight' is considered to be within NAB's emissions boundary but is not quantified on the basis of immateriality. As per guidance from Climate Active, we intend to work with relevant industry representatives to develop a methodology and apply an uplift by 2023-2024.



## 4. EMISSIONS REDUCTIONS

### Emissions reduction strategy

NAB has a well-established governance framework to ensure oversight of our environmental performance, including our carbon neutral commitment. This includes detailed review of our environmental performance data at a business unit level, a review by Risk and assurance by an independent service provider. Executive level oversight is provided by NAB's Group Non-Financial Risk Committee.

As outlined on our [website](#), NAB Group defines carbon neutrality as a process involving five steps:

- Defining and measuring our carbon (greenhouse gas) inventory,
- Reducing our carbon emissions through energy efficiency and demand management (employee behavioural change) and transitioning to lower emissions energy sources, where it's practicable,
- Avoiding emissions through the purchase of renewable energy (where we choose to use renewable energy to support our strategy of investing in local emissions abatement),
- Offsetting remaining emissions by purchasing quality accredited carbon offsets, and
- Verifying and reporting on our progress by:
  - regularly assessing our carbon neutrality and reduction targets (see Table 1),
  - obtaining annual external verification and assurance of our carbon accounts (inventory and offsets) and carbon neutral position, and
  - reporting regularly to key internal stakeholders and annually to external stakeholders.

**Table 1: NAB's Group 2025 environmental performance targets**

Indicator	2019 baseline	Target	Target date	2021 reduction	Status
Science-based GHG emissions (tCO <sub>2</sub> -e)	150,893	▼ 51%	2025	55%	On track
Energy use (GJ)	759,096	▼ 30%	2025	32%	On track
Office paper (A3, A4 & A5) (tonnes)	514	▼ 20%	2025	55%	On track
Customer eStatements (proportion online)	64%	▲ to 80%	2025	▲ to 70%	On track
Water use (potable water withdrawal) (kL)	385,005	▼ 5%	2025	50%	On track
Waste to Landfill (tonnes)	1,871	▼ 10%	2025	61%	On track
Vehicle Fuels (GJ) (Aus & BNZ only)	120,686	▼ 50%	2025	31%	On track
Staff air travel (tCO <sub>2</sub> -e) (BNZ only)	4,679	▼ 70%	2025	88%	On track

Note: Target status of 'On track' has been applied to all items based on expected progress by 2025.

Although 2021 data identifies that some targets may appear to have been achieved, performance has been heavily influenced by COVID-19 (e.g. reduction in travel, property shutdowns) and we do not expect all of the reductions achieved to be permanent.

## Emissions reduction actions

Reducing our carbon emissions and achieving our resource efficiency targets are key elements that support delivery of our Environmental Agenda. NAB's Australian operations contribute to emissions reductions through the setting of Group-wide environmental performance targets, which include a science-based emissions reduction target. Table 1 provides a summary of how the Group is tracking against its 2025 environmental performance targets. Further information regarding the Group's activities to help meet these targets can be found in our [2021 Annual Review](#).

In 2021, NAB voluntarily surrendered 31,875 LGCs which accounted for 31% of our total Group electricity consumption. We continue to create LGCs through on-site solar, and by surrendering LGC's generated through our Power Purchase Agreement (PPA) with ENGIE and from the Crowlands wind farm as part of the Melbourne Renewable Energy Project. 2021 was the first full year of surrendering LGC's through our PPA with ENGIE.

In addition to the emission reduction measures implemented in 2021, we continue to purchase a Climate Active Carbon Neutral product – Australian Paper's Reflex 100% Recycled Carbon Neutral A3, A4, A5 and other office paper. If this purchase did not occur, our carbon footprint for 2021 would have increased by 421 tCO<sub>2</sub>-e (see Table 4).

## 5. EMISSIONS SUMMARY

**Table 2: Emissions reported to Climate Active over time**

NAB Australia emissions since base year		Total tCO <sub>2</sub> -e
Base year:	2009–2010	255,154
Year 1:	2010–2011	248,433
Year 2:	2011–2012	238,455
Year 3:	2012–2013	243,001
Year 4:	2013–2014	231,434
Year 5:	2014–2015	216,479
Year 6:	2015–2016	196,890
Year 7:	2016–2017	172,901
Year 8:	2017-2018	166,695
Year 9:	2018-2019	155,060
Year 10:	2019-2020	136,906 (Market-based)
Year 11:	2020-2021	77,555 (Market-based)

## Significant changes in Australian emissions

The following emission sources contribute more than 5% of NAB's Australian emissions:

- Electricity,
- Vehicle fuel,
- Stationary energy (gas and diesel),
- Working from home.

The emissions sources listed immediately above have been subject to significant changes since 2020 (+/- 5%) (see Table 3). Primarily, decreases occurred across electricity, stationary energy (gas and diesel) and vehicle fuels because of COVID-19 related property shutdowns and restrictions on travel throughout 2021.

Reductions in electricity can also be attributed to an increase in the proportion of LGCs purchased and retired in 2021. NAB joined the RE100 initiative in 2019 and has set a target to source 100% renewable electricity by 2025. Making progress against this target, we increased our Group-wide renewable energy consumption from 7% in 2020 to 31.4% in 2021.

As mentioned above, in the last quarter of 2020, we began estimating emissions for colleagues working from home (WFH).

**Table 3: Significant changes in Australian Emissions**

Emission source name	Current year (tCO <sub>2</sub> -e)	Previous year (tCO <sub>2</sub> -e)	Detailed reason for change
Electricity – Market Based	48,481,828	81,527,000	Large reduction in emissions from electricity (41%) because of COVID-19 related property shutdowns and because of an increase in the proportion of LGC purchased and retired in line with our RE100 commitment.
Vehicle Fleet Fuel	3,914,049	4,501,723	Reductions in emissions from fleet cars (13%) because of COVID-19 related travel restrictions.
Stationary Energy (Gas, Diesel)	4,782,276	9,890,445	Large reduction in emissions from diesel and gas (52%) because of COVID-19 related property shutdowns.
Working from Home	14,557,949	3,452,420	Large increase in emissions from WFH (338%) was due to the inclusion of this inventory items for the full 2021 reporting period as opposed to one quarter in 2020. The calculation of WFH emissions was also impacted by a change in methodology as NAB moved from using its own inhouse calculations based on average household energy use (as published by the Australian Energy Regulator) to a new calculator provided by Climate Active.

**Table 4: Use of Climate Active carbon neutral products and services**

Scope	Climate Active carbon neutral products	Total tCO <sub>2</sub> -e
3	Office Paper - Carbon Neutral A4 & A3	420.79
3	Office Paper - Carbon Neutral A5 & Other	0.09

## Organisation emissions summary

NAB's 2021 Australian Climate Active carbon inventory is summarised in Table 5 below. A more detailed breakdown of NAB Group's carbon inventory and activity data is provided in our [2021 Sustainability Data Pack](#).

The electricity summary is available in Appendix A. Electricity emissions were calculated using a market-based approach.

**Table 5: NAB's 2021 Australian Climate Active Emissions Summary**

Emission Source	Sum of Scope 1 (tCO <sub>2</sub> -e)	Sum of Scope 2 (tCO <sub>2</sub> -e)	Sum of Scope 3 (tCO <sub>2</sub> -e)	Sum of Total Emissions (tCO <sub>2</sub> -e)
Accommodation and Facilities	-	-	476.23	476.23
Air Transport (km)	-	-	1,824.92	1,824.92
Electricity – Market based <sup>10</sup>	-	-	-	48,481.83
Vehicle Fleet (fuel)	3,720.44	-	193.61	3,914.05
Employee Vehicle, Taxi & Rental Car (km)	-	-	746.49	746.49
Paper (kg)	-	-	2.20	2.20
Refrigerants	1,525.51	-	-	1,525.51
Stationary Energy (Gas, Diesel)	3,044.47	-	1,737.8	4,782.28
Waste	-	-	860.01	860.01
Water	-	-	383.04	383.04
Working from home	-	-	14,557.95	14,557.95
<b>Grand Total</b>				<b>77,554.51</b>

<sup>10</sup> The market-based electricity figure was calculated using the Climate Active Calculator. The market-based electricity emissions total includes Scope 2 and 3 GHG emissions from electricity, base building electricity and associated transmission & distribution losses. Additionally, the Climate Active methodology for calculating market-based emissions incorporates the applicable renewable power percentage (RPP) for the reporting period. The RPP is not included in NAB's other publicly reported market-based emissions calculations due to applicable emissions accounting requirements.

## 6. CARBON OFFSETS

**Table 6: Offsets strategy**

Offset purchasing strategy: Forward purchasing	
1. Total offsets previously forward purchased and banked for this report	332,707 <sup>11</sup>
2. Total emissions liability to offset for this report	77,555 <sup>12</sup>
3. Net offset balance for this reporting period	(255,152)
4. Total offsets to be forward purchased to offset the next reporting period	115,766 <sup>13</sup>
5. Total offsets required for this report	(99,386) <sup>14</sup>

### Co-benefits

NAB has purchased offsets only from domestic sources since 2019. Prior to 2019, offsets were purchased domestically and internationally and NAB retains a bank of these offset purchases. All NAB Group international offsets were selected from renewable energy projects. During the 2021 environmental reporting year, 88.4% of allocated offsets were sourced from previously contracted international projects and 11.6% from an Australian Indigenous savanna burning project<sup>15</sup>.

<sup>11</sup> This number represents the offsets that were banked for future years as listed in NAB's 2020 Public Disclosure Statement.

<sup>12</sup> This number represents NAB's Australian Climate Active liability. It does not represent NAB's Group emissions and associated Group offsets.

<sup>13</sup> A conservative number of offsets (115,766) have been retired in advance for the 2022 environmental reporting year in accordance with NAB Group's Environmental Reporting and Offset Management Policy. The quantity of offsets retired are higher than the 2021 Group operational emissions to allow for any increases associated with changes to building occupancy and the way we work (business travel and working from home) associated with COVID-19.

<sup>14</sup> This number represent the excess offsets that NAB has banked for use beyond the 2021 reporting year. As per our forward purchasing policy, no additional offsets need to be purchased to offset the 2021 reporting year.

<sup>15</sup> These are the % of offsets allocated to neutralise NAB's FY2021 Australian Climate Active liability.

## Offsets summary

### Proof of cancellation of offset units

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Eligible quantity (tCO <sub>2</sub> -e)	Quantity used for previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period claim (NAB's Australian Liability)	Quantity used for additional Group emissions this reporting period	Percentage of total (%)
Aak Puul Ngantam, Savanna burning, Australia	ACCUs	ANREU	30/06/2020	3,799,445,010 - 3,799,454,009*	2020	9,000	0	0	9,000	0	12%
National Bio Energy Changtu Biomass Power Plant, China	VER	Markit	3/04/2018	<a href="#">GS1-1-CN-GS2503-9-2016-6011-41759 to 87440</a>	2016	45,682	0	9,468	2,834	33,380	4%
Sarbari-I small hydro project, India	VCU	Markit	3/04/2018	5706-255982354-256004975-VCU-034-APX-IN-1-483-01012016-31122016-0*	2016	22,622	0	0	22,622	0	29%
Gunung Salak, Geothermal, Indonesia	VCU	APX VCU Registry	12/04/2018	5734-257275298-257345297-VCU-005-APX-ID-1-144-01012015-31122015-0*	2015	70,000	21,231	5,670	43,099	0	56%
Sarbari-I small hydro project, India	VCU	Markit	03/04/2018	5707-256004976-256005600-VCU-034-APX-IN-1-483-01012018-31012018-0*	2018	625	0	625	0	0	0
Sarbari-I small hydro project, India	VCU	Markit	3/04/2018	5709-256011044-256041213-VCU-034-APX-IN-1-483-01012017-31122017-0*	2017	30,170	0	30,170	0	0	0
InfraVest Changbin and Taichung bundled Wind Farms Project -Taiwan	VCU	Markit	12/04/2018	<a href="#">GS1-1-TW-GS472-12-2016-5120-2430 to 28387</a>	2016	25,958	0	25,958	0	0	0
Gansu Changma Wind, China	VCU	VCS Project Database	11/04/2019	6494-323911901-323981900-VCU034-APX-CN-1-717-01012017- 31122017-0*	2017	70,000	0	70,000	0	0	0
Bundled Solar Power by Solararise, India	VCU	VCS Project Database	26/04/2019	6647-329216685-329232121-VCU-034-APX-IN-1-1762-01012017- 31122017-0*	2017	15,437	0	15,437	0	0	0

Bundled Solar Power by Solararise, India	VCU	VCS Project Database	26/04/2019	6646-329154366-329216684-VCU-034-APX-IN-1-1762-01012018- 25042018-0*	2018	62,319	0	62,319	0	0	0
Tiwi Islands Savanna Burning	ACCUs	ANREU	07/07/2021	3,772,978,789 -3,772,988,162*	2019	9,374	0	9,374	0	0	0
<b>Total offsets retired this report and used in this report</b>									77,555		
<b>Total offsets retired this report and banked for future reports</b>									229,021		
<b>Type of offset units</b>			<b>Quantity (used for this reporting period claim)</b>			<b>Percentage of total</b>					
Australian Carbon Credit Units (ACCUs)			9,000			11.6%					
Verified Emissions Reductions (VERs)			2,834			3.7%					
Verified Carbon Units (VCUs)			65,721			84.7%					

\*These retired offsets are no longer visible in a public registry, documentation has been provided to Climate Active.

## 7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

### Renewable Energy Certificate (REC) summary

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

<b>1. Large-scale Generation certificates (LGCs)*</b>	31,875
<b>2. Other RECs</b>	0

\* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements) and does not include those surrendered in relation to the RPP, GreenPower, and jurisdictional renewables.

Project supported by LGC purchase	Eligible units	Registry	Surrender date	Accreditation code (LGCs)	Certificate serial number	Generation year	Quantity (MWh)	Fuel source	Location
Rooftop solar	LGC	REC Registry	10/08/2020	SRPVVC87	279 - 306	2021	28	Solar	Vic, Australia
Rooftop solar	LGC	REC Registry	18/09/2020	SRPVVC87	307 - 333	2021	27	Solar	Vic, Australia
Wind Farm	LGC	REC Registry	18/09/2020	WD00VC32	23208 - 24764	2021	1,557	Wind	Vic, Australia
Rooftop solar	LGC	REC Registry	13/10/2020	SRPVVC87	334 - 375	2021	42	Solar	Vic, Australia
Rooftop solar	LGC	REC Registry	10/11/2020	SRPVVC87	376 - 430	2021	55	Solar	Vic, Australia
Wind Farm	LGC	REC Registry	10/11/2020	WD00SA21	1 - 12500	2021	12,500	Wind	SA, Australia
Wind Farm	LGC	REC Registry	10/11/2020	WD00VC32	15542 - 17252	2021	1,711	Wind	Vic, Australia
Rooftop solar	LGC	REC Registry	23/11/2020	SRPVVC87	431 - 496	2021	66	Solar	Vic, Australia
Rooftop solar	LGC	REC Registry	29/01/2021	SRPVVC87	497 - 577	2021	81	Solar	Vic, Australia
Rooftop solar	LGC	REC Registry	2/03/2021	SRPVVC87	578 - 672	2021	95	Solar	Vic, Australia



Rooftop solar	LGC	REC Registry	24/03/2021	SRPVVC87	92 - 162	2021	71	Solar	Vic, Australia
Rooftop solar	LGC	REC Registry	24/03/2021	SRPVVC87	1-91	2021	91	Solar	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	59192 - 60687	2021	1,496	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	138267 - 138300	2021	34	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	137954 - 138266	2021	313	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	137665 - 137953	2021	289	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	137600 - 137664	2021	65	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	136945 - 137599	2021	655	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	136869 - 136944	2021	76	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	136838 - 136868	2021	31	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	24/03/2021	WD00VC32	136804 - 136837	2021	34	Wind	Vic, Australia
Wind Farm	LGC	REC Registry	19/05/2021	WD00SA21	24619 - 37118	2021	12,500	Wind	SA, Australia
Rooftop solar	LGC	REC Registry	10/06/2021	SRPVVC87	221 - 278	2021	58	Solar	Vic, Australia
<i>Total LGCs surrendered this report and used in this report</i>							31,875		

## APPENDIX A: ELECTRICITY SUMMARY

Electricity emissions in the Inventory are calculated using a market-based approach. The location-based approach is also presented below

### Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

### Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kgCO <sub>2</sub> -e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	6,620,550	0	6%
<b>Total non-grid electricity</b>	<b>6,620,550</b>	<b>0</b>	<b>6%</b>
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	31,875,000	0	31%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	454,921	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	106,190	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	17,986,639	0	18%
Residual Electricity	45,180,048	48,481,828	0%
<b>Total grid electricity</b>	<b>95,602,799</b>	<b>48,481,828</b>	<b>49%</b>
<b>Total Electricity Consumed (grid + non grid)</b>	<b>102,223,349</b>	<b>48,481,828</b>	<b>56%</b>
Electricity renewables	57,043,301	0	
Residual Electricity	45,180,048	48,481,828	
<b>Exported on-site generated electricity</b>	<b>0</b>	<b>0</b>	
Emission Footprint (kgCO <sub>2</sub> -e)		48,481,828	
<b>Total renewables (grid and non-grid)</b>			<b>55.80%</b>
<b>Mandatory</b>			<b>18.14%</b>
<b>Voluntary</b>			<b>31.18%</b>
<b>Behind the meter</b>			<b>6.48%</b>
<b>Residual Electricity Emission Footprint (TCO<sub>2</sub>e)</b>			<b>48,482</b>
<i>Figures may not sum due to rounding. Renewable percentage can be above 100%</i>			
<i>Voluntary includes LGCs retired by the ACT (MWh)</i>			454

## Location-based Approach Summary

Location-based Approach	Activity Data (kWh)	Emissions (kgCO <sub>2</sub> -e)
ACT	561,111	505,000
NSW	21,943,222	19,748,900
SA	2,432,527	1,264,914
Vic	56,828,763	61,943,352
Qld	9,115,785	8,477,680
NT	213,911	147,598
WA	4,077,758	2,854,431
Tas	429,721	73,053
<b>Grid electricity (Scope 2 and 3)</b>	<b>95,602,799</b>	<b>95,014,928</b>
ACT	0	0
NSW	537,992	0
SA	124,514	0
Vic	5,319,950	0
Qld	578,122	0
NT	0	0
WA	59,972	0
Tas	0	0
<b>Non-grid electricity (Behind-the-meter)</b>	<b>6,620,550</b>	<b>0</b>
<b>Total Electricity Consumed</b>	<b>102,223,349</b>	<b>95,014,928</b>
<b>Emission Footprint (tCO<sub>2</sub>-e)</b>	<b>95,015</b>	

## Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO <sub>2</sub> -e)
N/A	0	0

*Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.*

## APPENDIX B: INSIDE EMISSIONS BOUNDARY

### Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable, but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

'Postage and freight' is considered to be within NAB's emissions boundary but is not quantified based on immateriality. As per guidance from Climate Active, we intend to work with relevant industry representatives to develop a methodology and apply an uplift by 2023-2024.

### Non-quantified emission sources

Relevant-non-quantified emission sources	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Postage and freight	Yes	No	No	No

## APPENDIX C: OUTSIDE EMISSIONS BOUNDARY

### Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy, and fuel emissions.
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.

5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Purchased goods and services	No	No	No	No	No	Yes <sup>16</sup>
Capital goods	No	No	No	No	No	No <sup>17</sup>
Fuel and energy related activities	Yes	Yes	Yes	Yes	No	Yes
Upstream transportation and distribution	No	No	No	No	No	No <sup>18</sup>
Waste generated in operations	Yes	Yes	Yes	Yes	No	Yes
Business travel	Yes	Yes	Yes	Yes	No	Yes
Employee commuting	Yes	No	No	No	No	No <sup>19</sup>
Upstream leased assets	Yes	No	No	No	Yes	Yes <sup>20</sup>
Downstream transportation and distribution	No	No	No	No	No	No <sup>21</sup>
Processing of sold products	No	No	No	No	No	No <sup>22</sup>
Use of sold products	No	No	No	No	No	No <sup>17</sup>
End-of-life treatment of sold products	No	No	No	No	No	No <sup>17</sup>
Downstream leased assets	No	No	No	No	No	No <sup>23</sup>

<sup>16</sup> NAB has answered yes to this emissions category based on inclusion of A3, A4 and A5 paper purchased in our carbon inventory.

<sup>17</sup> NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

<sup>18</sup> As a result of the demerger of Clydesdale and Yorkshire Banking Group (CYBG) (February 2016), we no longer have any GHG emissions resulting from supplier travel. Previously this source was only applicable to the NAB UK operations for a small number of key contractors.

<sup>19</sup> Employee commuting has been excluded as it has been assessed as not relevant according to the relevance test. Staff commuting is expected to be a large emissions source. However, NAB has no authority to require staff to commute to work in any particular manner and does not expect stakeholders to deem this emission source relevant.

<sup>20</sup> NAB Group leases the majority of its building portfolio and the majority of the GHG emissions from these buildings are considered to be under our operational control and are already accounted for in our Scope 1 and 2 GHG emissions. Where we utilise shared facilities in our building such as lifts, escalators, HVAC etc. as part of the base building operated and controlled by the landlord or the landlord's facilities manager, we account for our share of the emissions associated with these facilities as fuel and energy related activities. We have also included GHG emissions associated with the operation of non-network ATMs for the BNZ operations which are managed on BNZ's behalf.

<sup>21</sup> Due to the intangible nature of financial products and services we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.

<sup>22</sup> Due to the intangible nature of financial products and services we do not sell, process or treat physical products. Accordingly, we have assessed these sources of emissions as being not relevant to our industry sector and business.

<sup>23</sup> NAB has an immaterial number of downstream leased assets in the form of a small number of buildings that are owned and leased to tenants. The tenancy agreements for these assets give the tenant operational control of the energy use of the asset and the tenant pays the energy bills. Accordingly, for the purposes of our carbon inventory the GHG emissions from these downstream assets are not considered relevant.



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