



# Independent Limited Assurance Report to the Directors of National Australia Bank Limited on Financed Emissions Data

## Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Financed Emissions Data, covering Commercial Real Estate, Residential Real Estate and Transport – Road sectors as at 30 June 2022 and Transport – Shipping sector as at 31 December 2022, which has been prepared by National Australia Bank Limited and its subsidiaries ('NAB') in accordance with the Reporting Criteria disclosed in NAB's Supplementary Climate Disclosures public report dated 6 June 2024.

## Information Subject to Assurance

The information subject to assurance is the Financed Emissions Data of National Australia Bank Limited (ABN 12 004 044 937), together with its subsidiaries ('NAB') as presented in NAB's Supplementary Climate Disclosures public report dated 6 June 2024, comprising the following and as at the following dates:

Sector	2022 Performance		
	Unit	Value	As at
Commercial Real Estate - Office	kgCO <sub>2</sub> -e/m <sup>2</sup>	70.8	30 June 2022
Commercial Real Estate - Retail	kgCO <sub>2</sub> -e/m <sup>2</sup>	78.4	30 June 2022
Residential Real Estate	kgCO <sub>2</sub> -e/ m <sup>2</sup>	35.1	30 June 2022
Transport – Road	gCO <sub>2</sub> /vkm	217	30 June 2022
Transport – Shipping	Alignment delta %	-1.0	31 December 2022

## Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is outlined in NAB's Financed Emissions Methodology presented in NAB's Supplementary Climate Disclosures public report dated 6 June 2024 ('Reporting Criteria').

The Financed Emissions Data must be read and interpreted together with the Reporting Criteria, which NAB is solely responsible for determining and applying.

## Basis for Conclusion

We performed our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ASAE 3000) ('Standard').

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In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Financed Emissions Data is free from material misstatements, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### **Summary of Procedures Performed**

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- interviews with relevant NAB personnel to understand of the process for data collection, aggregation, estimation, calculation, the internal controls, governance structure and reporting process in relation to the Financed Emissions Data;
- review of IT general controls underpinning key IT systems;
- analytical procedures over the Financed Emissions Data;
- walkthroughs of the Financed Emissions Data to source documentation on a sample basis;
- evaluating the appropriateness and application of the Reporting Criteria with respect to the Financed Emissions Data, including reviews of relevant documentation such as NAB's Policies and relevant publicly available information sources used as the basis for estimation assumptions;
- agreeing the Financed Emissions Data to relevant underlying sources on a sample basis and performing mathematical accuracy checks;
- agreeing input data provided by specialist third-party providers to underlying source documentation on a sample basis, covering floorspace for Commercial Real Estate sector; floorspace and base solar estimates for Residential Real Estate sector; and Annual Efficiency Ratio, Alignment Delta and Poseidon Principles Trajectory for Transport – Shipping sector;
- reviewing NAB's Supplementary Climate Disclosures public report dated 6 June 2024 in its entirety for accuracy and completeness, and to ensure it is consistent with our overall knowledge of the assurance engagement.

### **How the Standard Defines Limited Assurance and Material Misstatement**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within NAB's Financed Emissions Data are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of directors of NAB.



## Inherent Limitations

The nature of non-financial information, the absence of a significant body of established practice on which to draw, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Financed Emissions Data has been measured applying the Reporting Criteria which has been developed solely for the purpose of providing this non-financial information. As such, the Financed Emissions Data may not be suitable for another purpose.

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the Reporting Criteria may occur and not be detected. A limited assurance engagement covering the Financed Emissions Data as at 30 June and 31 December 2022 does not provide assurance on whether compliance with the Reporting Criteria will continue in the future.

## Use of this Assurance Report

This report has been prepared for the directors of NAB for the purpose of providing an assurance conclusion on the Financed Emissions Data and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the directors of NAB, or for any other purpose than that for which it was prepared.

## Management's responsibility

Management of NAB are responsible for:

- determining that the Reporting Criteria is appropriate to meet their needs;
- preparing and presenting the Financed Emissions Data in accordance with the Reporting Criteria; and
- establishing and maintaining internal controls that enable the preparation and presentation of the Financed Emissions Data in a manner that is free from material misstatement, whether due to fraud or error.

## Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Financed Emissions Data as at and for the period ended 30 June 2022 (31 December 2022 for Transport – Shipping), and to issue an assurance report that includes our conclusion.

## Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

Julia Bilyanska  
Partner  
Melbourne  
6 June 2024