



Independent Limited Assurance Report to the National Australia Bank Limited (NAB) Directors on the NAB Group financed emissions data

Conclusion

Based on the evidence we obtained from the procedures we performed, we are not aware of any material misstatements in the financed emissions data, which has been prepared by NAB in accordance with the NAB Group's Methodology as at 31 August 2020 as described below.

NAB Group's Methodology

The NAB Group's Methodology presented on the NAB Group's website at: <https://www.nab.com.au/about-us/social-impact/environment/climate-change> is of such importance that it is fundamental to your understanding of the NAB Group's financed emissions data. This has not caused us to modify our opinion.

NAB Group's financed emissions data subject to assurance and NAB Group's Methodology criteria used as a basis for reporting

NAB Group's financed emissions data for National Australia Bank (ABN 12 004 044 937) ("NAB"), together with its subsidiaries ("NAB Group"), as at 31 August 2020 comprises the following:

| Financed emissions data | EAD/tCO ₂ e |
|---|------------------------|
| Agriculture Intensity Ratio | 6,797 |
| Residential Mortgages Intensity Ratio | 46,009 |
| Commercial Real Estate (office and retail) Ratio | 189,600 |
| Power Generation Intensity Ratio | 554 |
| Resources (including coal, oil and gas) Intensity Ratio | 2,164 |

The financed emissions data is presented in the Managing climate change section (Helping customers decarbonise) in NAB's 2020 Sustainability Report, the 'Financing' tab in the 2020 Sustainability Data Pack, the Report of the Directors 'Environmental and social regulation, risk and Opportunities' section in the 2020 Annual Financial Report, and the 'Additional information: NAB in the community' section in the 2020 Full-Year Results Investor Presentation, all of which are available on the NAB Group's website. The financed emissions data has been prepared in accordance with the NAB Group's Methodology which is available on the Group's website at: <https://www.nab.com.au/about-us/social-impact/environment/climate-change> in the 'How we calculate our carbon emissions' section, and referenced along with footnotes that accompany the data provided in NAB's 2020 Sustainability Data Pack.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the 2020 Sustainability Report, 2020 Sustainability Data Pack, 2020 Annual Financial Report, 2020 Annual Review, or 2020 Full Year Results Investor Presentation, except where specifically identified.



Basis for Conclusion

We performed our limited assurance engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the NAB Group's financed emissions data, 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:

- enquiries with relevant NAB Group personnel to obtain an understanding of the process for data collection, aggregation, estimation, calculation, governance structure and reporting process in relation to the financed emissions data;
- reviewing the NAB Group's Methodology, including assumptions used in preparation of the financed emissions data;
- evaluating the appropriateness and application of the NAB Group's Methodology with respect to the financed emissions data, including reviews of relevant documentation such as the NAB Group's Policies and publicly available relevant information sources;
- agreeing the NAB Group's financed emissions data to relevant underlying sources on a sample basis;
- performing analytical procedures and walkthroughs of the financed emissions data to source documentation; and
- performing mathematical checks.

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 the NAB Group's financed emissions data are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the NAB Group.

Use of this Assurance Report

This report has been prepared for NAB and its directors for the purpose of providing an assurance conclusion on the NAB Group's 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 NAB Directors, or for any other purpose than that for which it was prepared.



NAB Group's responsibility

NAB Group is responsible for:

- determining that the NAB Group's Methodology is appropriate to meet their needs;
- preparing and presenting the NAB Group's financed emissions data in accordance with the NAB Group's Methodology;
- establishing and maintaining internal controls that enable the preparation and presentation of the NAB Groups' financed emissions data in a manner that is free from material misstatement, whether due to fraud or error; and
- maintaining integrity of the relevant website information.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the NAB Group's financed emissions data as at 31 August 2020, and to issue an assurance report that includes our conclusion to the Directors of NAB.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

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Julia Bilyanska

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Director

Melbourne

4 November 2020