



## Independent Limited Assurance Report to the Directors of National Australia Bank Limited (NAB) on the NAB Group key GHG emissions and energy use data

### Conclusion

Based on the evidence we obtained from the procedures we performed, we are not aware of any material misstatements in the Information Subject to Assurance for the year ended 30 June 2020, which has been prepared by the NAB Group in accordance with the Framework, as defined below.

### Information Subject to Assurance

The Information Subject to Assurance presented in Table 1: *Key GHG emissions and energy use data (1 July – 30 June)* in the *Other Matters – Environmental and social regulation, risk and opportunities* section in the *2020 Report of the Directors in the NAB Group’s 2020 Annual Financial Report* and comprises the following NAB Group selected GHG emissions and energy data from NAB Group arising from operations in Australia, the United Kingdom (London Branch), and the rest of the Group (Australian, New Zealand, United States and Asia) for National Australia Bank Limited (ABN 12 004 044 937) (“NAB”), together with its subsidiaries (“NAB Group”) for the year ended 30 June 2020 and has been prepared by the NAB Group for the purpose of meeting the Streamlined Energy & Carbon Reporting (SECR) requirements which are implemented through the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (UK):

	London Branch	NAB Group (excluding London Branch)
Year	2020	2020
Energy from gas consumption (KWh)	377,813	40,873,595
Energy from vehicle fuel use (KWh)	0	27,563,578
Energy from Electricity consumption (KWh)	870,922	101,589,007
Total energy for SECR reporting (KWh) (tCO <sub>2</sub> -e)	1,248,734	170,031,181
GHG emissions from energy use (Scope 1 – Gas) (tCO <sub>2</sub> -e)	70	7,701
GHG emissions from vehicle fleet (Scope 1) (tCO <sub>2</sub> -e)	0	6,885
GHG emissions from energy use (Scope 2, location based - electricity) (tCO <sub>2</sub> -e)	203	79,482
Total gross Scope 1 & 2 GHG emissions for SECR reporting (tCO <sub>2</sub> -e)	273	87,184
Intensity ratio: Energy (KWh)/\$ Financial Metric	0.0004	0.02
Intensity ratio: GHG (tCO <sub>2</sub> -e)/\$ Financial Metric	0.000001	0.00001
Intensity ratio: Energy (KWh) / FTE	4,024	4,919
Intensity ratio: GHG (tCO <sub>2</sub> -e) / FTE	0.88	2.52
Emissions from electricity use (Scope 2, market-based – electricity) (tCO <sub>2</sub> -e)	0	71,913

We have not been engaged to provide an assurance conclusion on any other information disclosed in Table 1: *Key GHG emissions and energy use data (1 July – 30 June)* in the *Other Matters – Environmental and social regulation, risk and opportunities* section in the *2020 Report of the Directors* for the current year or for previous periods, except where specifically identified.

## **Criteria Used as the Basis of Reporting**

The Information Subject to Assurance has been prepared by the NAB Group in accordance with the World Resources Institute/World Business Council for Sustainable Development *Greenhouse Gas Protocol and the NAB Group’s Environmental Reporting and Offset Management Policy and reporting methodologies, which take into account relevant regulatory requirements and government reporting guidelines in jurisdictions in which the NAB Group operates, including the Streamlined Energy and Carbon Reporting (SECR) obligation which is implemented through the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (UK)*. The methodology is presented in the *Other Matters – Environmental and social regulation, risk and opportunities* section in the *2020 Report of the Directors in the NAB Group’s 2020 Annual Financial Report* and in the documents provided in the section ‘*How we calculate our carbon emissions*’ available on the NAB Group website at <https://www.nab.com.au/about-us/social-impact/environment/climate-change> (together referred to as “the Framework”).

## **Basis for Conclusion**

We performed our limited assurance engagement in accordance with the International Standards on Assurance Engagements ISAE 3000 and ISAE 3410 (“Standards”). In accordance with these Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Information Subject to Assurance is free from material misstatement, 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 to perform the limited assurance engagement.

## **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 understand the internal controls, governance structure and reporting process relevant to the Information Subject to Assurance;
- reviews of relevant documentation including the Framework, NAB Group Policies and systems documentation with respect to the Information Subject to Assurance;
- analytical procedures over the Information Subject to Assurance;
- walkthroughs of the Information Subject to Assurance to source documentation;
- evaluating the appropriateness of the Framework with respect to the Information Subject to Assurance; and
- reviewing the *Other Matters – Environmental and social regulation, risk and opportunities* section in the *2020 Report of the Directors in the 2020 Annual Financial Report and the NAB Group’s GHG Emissions tab within the 2020 Sustainability Data pack* in its entirety to ensure they are 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, 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 Information Subject to Assurance 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.

### Inherent limitations

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and the values needed to combine emissions of different gases.

### NAB Group's responsibilities

NAB Group is responsible for:

- determining that the Framework is appropriate to meet their needs;
- preparing and presenting the Information Subject to Assurance in accordance with the Framework;
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error; and
- maintaining integrity of the relevant website information.

KPMG

KPMG

Julia Bilyanska

Julia Bilyanska

Director

Melbourne

10 November 2020

### Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the year ended 30 June 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 (including Independence Standards)* issued by the International Professional and Ethical Standards Board, and complied with the applicable requirements of International Standard on Quality Control 1 to maintain a comprehensive system of quality control.