



Independent Limited Assurance Report to the Directors of National Australia Bank Limited on specified environmental data

Conclusions

i) Specified greenhouse gas (GHG) emissions and offset data

Based on the evidence we obtained from the procedures we performed, we are not aware of any material misstatements in the specified GHG emissions and offset data, which has been prepared by National Australia Bank Limited and its subsidiaries in accordance with the Framework for the year ended 30 June 2023, as defined below.

ii) Science-based emissions target performance data point

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the disclosure on progress against the science-based emissions target (SBT) covering Scope 1 and 2 (market-based method) GHG emissions, which has been prepared by National Australia Bank Limited and its subsidiaries in accordance with the SBT Methodology applicable to Scope 1 and 2 GHG emissions for the year ended 30 June 2023, as defined below.

Information Subject to Assurance

The information subject to assurance comprises the following NAB Group environmental data arising from operations in Australia, New Zealand, United Kingdom, France, United States and Asia for National Australia Bank Limited (ABN 12 004 044 937), together with its subsidiaries ('NAB Group'), published in NAB Group's:

- 2023 Annual Report – in sections titled 'Sustainability Scorecard' and 'Climate Change & Environment'.
- 2023 Climate Report – in sections titled 'Our Progress', 'Metrics and Targets' and 'Supporting information'.
- 2023 Sustainability Data Pack – in tabs in the Environment section titled 'Position', 'GHG emissions', 'Energy' and 'Other':

i) Specified GHG emissions and offset data:

Data category	Tonnes of carbon dioxide equivalents (tCO ₂ -e)
Actual consolidated Scope 1, Scope 2 (market-based method) and selected Scope 3 net GHG emissions for the year ended 30 June 2023	64,566 tCO ₂ -e
Actual quantity of carbon offsets purchased and retired for the year ended 30 June 2023	64,566 tCO ₂ -e
Estimated consolidated Scope 1, Scope 2 (market-based method) and selected Scope 3 net GHG emissions for the forecast year ending 30 June 2024	64,566 tCO ₂ -e
Actual quantity of carbon offsets purchased and retired for the market-based forecast for the year ending 30 June 2024	64,566 tCO ₂ -e



ii) SBT performance data point:

Progress reported against NAB Group's SBT to reduce Scope 1 and 2 (market-based method) GHG emissions from operations by 72 % by 30 June 2030, from a 2022 base year.

2023 Result	Percentage %
For the year ended 30 June 2023, progress achieved against NAB Group's SBT to reduce Scope 1 and 2 GHG emissions	35% reduction in Scope 1 and 2 (market-based method) GHG emissions from a baseline of 2022 levels

The specified GHG emissions and offset data and SBT performance data point together comprise the "environmental data".

We have not been engaged to provide an assurance conclusion on NAB Group's setting of the 2030 SBT covering Scope 1 and 2 (market-based method) GHG emissions or on any other information disclosed within the NAB Group's 2023 Investor Presentation, 2023 Annual Report, 2023 Climate Report and 2023 Sustainability Data Pack except where specifically identified.

Criteria Used as the Basis of Reporting

i) Specified GHG Emissions and Offset Data

The specified GHG emissions and offset data have been prepared by NAB Group for the purpose of assessing its carbon neutrality in accordance with NAB Group *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 (together referred to as "the Framework"). A summary of the Framework is available in the documents provided in the section 'Calculating carbon emissions, including financed emissions' available on the NAB Group website at <https://www.nab.com.au/about-us/sustainability/environment/performance>. A copy of the *Environmental Reporting and Offset Management Policy* is available [here](#).

ii) SBT performance data point

The SBT performance data point has been prepared in accordance with the Sectorial Decarbonisation Approach (SDA) methodology published by the Science-Based Target Initiative and developed jointly by CDP, the World Resources Institute and WWF, as relevant to Scope 1 and 2 GHG emissions only. The SDA methodology and NAB Group's application of this to Scope 1 and 2 GHG emissions, is as described in the 'Position' section of the 2023 Sustainability Data Pack and on the Climate Change webpage in the "[Our environmental targets](#)" section of NAB Group's website (together referred to as the "SBT Methodology applicable to Scope 1 and 2 GHG emissions").

Basis for conclusion

We conducted our work in accordance with the Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ASAE 3000) and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ASAE 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 environmental data 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 our engagement team possess the appropriate knowledge, skills and professional competencies to perform the limited assurance engagement.



Summary of procedures performed

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

i) Specified GHG Emissions and Offset Data

- Remote review of the specified GHG emissions and offset data from the following NAB Group businesses, selected on the basis of a risk analysis:
 - NAB Australia, Melbourne
 - Bank of New Zealand, New Zealand
 - NAB United Kingdom (UK), London
- enquiries with relevant NAB Group personnel to understand the governance structure, internal controls and reporting processes relevant to the specified GHG emissions and offset data and NAB Group's Carbon Neutral Program
- evaluating the appropriateness of the Framework with respect to the specified GHG emissions and offset data
- review of relevant documentation including the Framework, NAB Group policies and systems documentation
- walkthroughs and analytical procedures over the specified GHG emissions and offset data to source documentation
- reconciling the consolidated net GHG emissions with the offset data for the year ended 30 June 2023 and confirmed with management the forecast net GHG emissions for the year ending 30 June 2024 based on current year actuals and the operational activities of NAB Group as at 30 June 2023
- confirmed the availability of carbon offsets to maintain NAB Group's carbon neutrality for the year ending 30 June 2023
- reviewing the quantity of carbon offsets purchased and retired for the year ended 30 June 2023 and forecast for the year ended 30 June 2024 and agreeing on a sample basis to external supplier documentation to confirm and evidence retirement of those offsets.

We have not performed any procedures regarding the credibility of carbon offset external providers, and express no conclusion about whether the carbon offsets have resulted, or will result in, a reduction of tCO₂-e.

ii) SBT performance data point

- interviews with relevant NAB Group personnel to obtain an understanding of NAB Group's application of the SBT Methodology applicable to Scope 1 and 2 GHG emissions, process for data collection, estimation, calculation and reporting of the SBT data point
- agreeing data to NAB Group's internal systems and performing walkthroughs to source documentation
- reviewing the SBT Methodology applicable to Scope 1 and 2 GHG emissions and relevant management assumptions
- assessing overall reporting for accuracy and completeness and performing mathematical checks.

How the Standards Define 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 Group environmental data are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of NAB Group.



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 (iii) the values needed to combine emissions of different gases.

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 environmental data has been measured applying the Framework and the SBT Methodology applicable to Scope 1 and 2 GHG emissions, which have been developed solely for the purpose of providing this non-financial information. As such, the environmental 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 Framework and the SBT Methodology applicable to Scope 1 and 2 GHG emissions may occur and not be detected. A limited assurance engagement as at and for the year ended 30 June 2023 does not provide assurance on whether compliance with the Framework and the SBT Methodology applicable to Scope 1 and 2 GHG emissions will continue in the future.

Use of this Assurance Report

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

Management's Responsibilities

Management of NAB Group are responsible for:

- Determining that the Framework and the SBT Methodology applicable to Scope 1 and 2 GHG emissions are appropriate to meet their needs;
- preparing and presenting NAB Group environmental data in accordance with the Framework and the SBT Methodology applicable to Scope 1 and 2 GHG emissions;
- establishing and maintaining internal controls that enable the preparation and presentation of NAB Group's environmental 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 environmental data for the year ended 30 June 2023, and to issue an assurance report that includes our conclusion to the directors of the NAB Group.

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

9 November 2023