

Controlling Corporation
NATIONAL AUSTRALIA BANK LIMITED
ABN 12 004 044 937

2015

National Carbon Offset Standard

Public Disclosure Summary

Australian Region
1 July 2014 – 30 June 2015

Carbon neutral certification type: Organisation
Subject of certification: Organisational Inventory
Date of most recent verification: 17/12/2015



An Australian Government Initiative



more give, less take

Introduction

National Australia Bank Limited 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, including wealth management. NAB Group¹ has operations in Australia, New Zealand, the United Kingdom, the United States (US)² and parts of Asia. This Public Disclosure Summary reports on the carbon neutral status and activities for the Australian region of NAB Group.

NAB³ was the first Australian bank to be certified carbon neutral under the National Carbon Offset Standard (NCOS) Carbon Neutral Program⁴. Understanding and managing our carbon footprint and operating on a carbon neutral basis, for our defined carbon inventory, is part of NAB's response to the issue of climate change, and our broader Environmental Agenda.

This report provides an overview of NAB's approach to maintaining our NCOS carbon neutral certification and achievements in managing our carbon emissions⁵. The NCOS requirements for auditing of the NAB Group carbon footprint have been met and copies of the independent assurance report are available on the [NAB website](#).

Carbon Neutral Information

NAB's certification under the NCOS is for a defined inventory of carbon emissions resulting from the activities of its Australian-based business. NAB generally uses an operational control approach consistent with that required under the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER Act). Full details regarding the certification boundary for our defined organisational carbon inventory can be found [here](#).

Figure 1 below illustrates the certification boundary for NAB's organisational carbon inventory.

Figure 1: Certification Boundary for NAB Group's Organisational Carbon Inventory



1. NAB Group has a subsidiary operating in Canada, which is excluded from NAB Group's carbon inventory as it is not material as a proportion of NAB Group's carbon emissions.
2. A major part of the US operations, Great Western Bank, was fully divested from NAB Group on 29 July 2015.

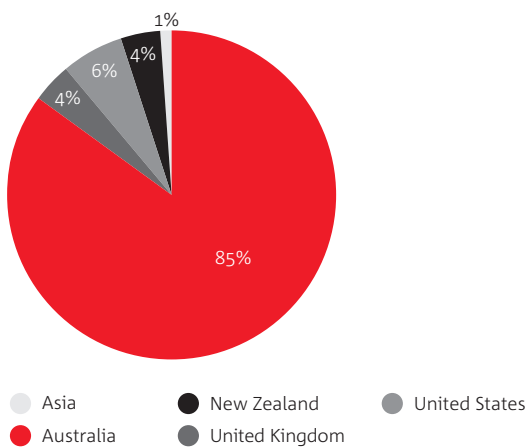
3. For the remainder of this document the word "NAB" refers to the Australian operations of the NAB Group.
4. NAB achieved this milestone in 2010.
5. The term 'carbon emissions' covers greenhouse gas emissions from all relevant Kyoto Protocol gases and some CFCs and HCFCs under the Montreal Protocol.

Our Global Carbon Emissions

NAB Group's global carbon emissions (net of UK certified renewable electricity and carbon neutral paper purchased in Australia and New Zealand) for the 2015 environmental reporting year (1 July 2014 – 30 June 2015) were 255,940 tCO₂-e of which the NAB account for around 85%, or 216,479 tCO₂-e. See Figure 2 below.

Figure 2: Regional Distribution of NAB Group 2015 Carbon Inventory

(net of UK certified renewable electricity and carbon neutral paper purchased in Australia and New Zealand).



Summary of Changes to the Calculation Methodology

No material changes have been made to NAB's carbon inventory (greenhouse gas (GHG) inventory) since NAB's initial NCOS certification in 2010, except for the inclusion of refrigerants in 2011. Inventory items reported in 2015 are the same as 2014. In line with obligations under the NGER Act, we have not run an uncertainty calculation this environmental reporting year.

In 2014, we made minor improvements to the models and assumptions used to calculate carbon emissions for our refrigerant usage and taxi travel. Further refinements have been made to our refrigerant inventory in 2015. This has resulted in decreased fugitive emissions leakage from our HVAC equipment.

In 2015, we also made further improvements in activity data quality for waste to landfill and travel data (air travel and hotel stays). Whilst reviewing the waste to landfill activity data, we also reviewed the waste conversion factors used to convert the number of bins of waste collected to a measure of waste volume and weight. There is a high degree of

uncertainty around waste data, due to the need to extrapolate waste to landfill based on measured waste from a sample of properties. We will continue to identify ways we can improve access to source data and we expect further methodology improvements in future years.

Summary of Changes to the Carbon Inventory

The most significant change to NAB's carbon emissions in the 2015 environmental reporting year was due to the reduction in energy consumption in our office buildings, both within the NAB tenancy (Scope 1 & 2) and for base building energy use under landlord control (Scope 3). 2015 is the first environmental reporting year to include a full 12 months' of operation at our new environmentally designed building at 700 Bourke Street Docklands and the exclusion of energy use from the less energy efficient buildings we exited in transitioning to 700 Bourke Street. We are now realising the full environmental benefits from this major transformation project started in 2010.

Total electricity consumption decreased by 2.7%, and associated carbon emissions by 3% in 2015 compared with 2014. The reduction in electricity consumption was primarily due to our exit from old inefficient buildings and our occupancy of 700 Bourke Street.

Within the overall reduction in electricity consumption, we have seen an increase in electricity consumption across our data centres. In 2015, we continued our planned transition from a twenty-plus year old data centre to a built for purpose data centre. As a result of this transition, we have been operating three data centres as opposed to two as we transition equipment from one facility to another. We look forward to realising the benefits of this transition in the 2016 environmental reporting year. Notwithstanding savings we expect from reverting to operating two data centres, we know that our customers have ever increasing technology needs and both energy consumption and carbon emissions from our data centres are forecast to increase in the future. To address this increase, we are focusing on the effectiveness of the operations at our data centres using Power Usage Effectiveness (PUE) as a performance metric. Currently, the average PUE for our three data centres is 1.62 and once we exit the old data centre we expect the average PUE to decrease to 1.50 or less. This is well below the Australian and New Zealand average (2.03) for similar sized data centres.⁶

⁶ Energy Efficiency Policy Options for Australian and New Zealand Data Centres, Consumer Research Associates April 2014, p27 www.energyrating.gov.au/.../Energy-Efficiency-Policy-Options-for-AUSNZ-Data-Centres_April-2014.pdf

Electricity use and associated emissions across the branch network have remained similar this environmental reporting year compared with last environmental reporting year (a minor reduction (0.2%) in electricity usage was observed).

In addition to changes we have made to NAB's operations, we have also seen a significant (27%) decrease in carbon emissions from base building energy use. Base building emissions account for 11% of NAB's carbon footprint. This highlights the influence our landlords have on our total carbon footprint and the need for us to collaborate with our supply partners to meet our resource efficiency and GHG reduction targets. A key contribution to the decrease was fuel switching from electricity to gas as NAB moved into 700 Bourke Street (which has a gas co-generation plant) and exited sites where brown coal generated electricity is consumed by base building plant. Other examples of projects undertaken by our landlords to optimise energy efficiency of base building plant in 2015 include:

- At 500 Bourke Street Melbourne, ISPT has upgraded the stair well lighting, optimised lift performance, improved management of after hours air conditioning and replacement of the lighting in the lift lobbies and toilets to LED light fittings;
- At 700 Bourke Street Docklands, AMP Capital has continued to fine tune and enhance the operation of plant and equipment since initial commissioning of the base building services;
- At 800 Bourke Street Docklands, The GPT Group has optimised controls and improved the efficiency of pumps for heating hot water, the tenant condenser water loop and negotiated with their electricity supplier to include a higher proportion of certified Green Power; and
- At 105 Miller Street North Sydney, we worked in collaboration with Investa to implement a partial building shut down over the 2014 Christmas holiday period, which achieved estimated savings of 10,000 kWh (10tCO₂-e).

Emissions over Time

Over time the reduction in NAB's carbon emissions has largely been due to improvements in the energy efficiency of our buildings.

Table 1. NAB emissions since base year

	NCOS Base Year (2010)	2013	2014	2015
Scope 1	11,858	9,650	12,426	12,291
Scope 2	148,666	141,778	133,589	130,096
Scope 3	94,630	91,573	85,419	74,092
Total (tCO ₂ -e)	255,154	243,001	231,434	216,479

Emission Reduction Measures

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

As per our *Environmental Reporting and Offset Management Standard*, the Group defines carbon neutrality as a process involving five steps:

- defining and measuring our carbon inventory or footprint;
- reducing our carbon emissions through energy efficiency and demand management (employee behavioural change);
- avoiding carbon emissions by increasing the amount of energy we purchase from renewable sources where practicable (and where we are allowed by Government rules or standards to apply a zero emissions factor to the renewable electricity purchased);
- offsetting remaining carbon emissions by purchasing quality accredited carbon offsets; and
- verifying and reporting on our progress by:

- regularly assessing our progress towards meeting our commitment and targets;
- obtaining external assurance over our carbon accounts (inventory and offsets) underlying our carbon neutral commitment; and
- reporting regularly to key internal stakeholders and annually to external stakeholders.

Achieving reductions in our carbon emissions and delivering to our resource efficiency targets are key elements of our Environmental Agenda. Table 2 below outlines emission reduction measures implemented in the 2015 environmental reporting period and further information regarding our performance towards our targets can be found in

our [2015 Dig Deeper](#). Two key projects included in the *Total expected emission reductions in future reporting periods from currently identified opportunities* are:

- the transfer of a data centre from a 20-plus year old building to a state of the art purpose built facility with free air cooling. This transfer is forecast to deliver annual energy savings of approximately 35,600 GJ and an associated carbon emissions reduction of approximately 13,000 tCO₂-e; and
- installation of solar panels at over 30 branches which is forecast to deliver annual savings of 1098 GJ and 338 tCO₂-e.

Table 2. Emission Reduction Measures Implemented in the 2015 Reporting Period (1 July 2014 to 30 June 2015)

Emission Reduction Activity Type	Reduction Measure*	Emission Source and Scope	Status	Expected Annual Reduction tCO ₂ -e
Low carbon energy installation	Installation of solar PV panels at NAB branches to generate renewable electricity and reduce reliance on grid-sourced electricity and associated carbon emissions – pilot/phase 1.	Electricity consumption Scope 2 & 3	Implemented	62
Energy efficiency: Building services	Implementation of various energy efficiency works across network sites including measures such as timer controls and lighting upgrades.	Electricity consumption Scope 2 & 3	Implemented	620
Energy efficiency: Processes	Range of technology based initiatives to decommission, consolidate or phase out older equipment and implement more efficient solutions	Gas & Electricity consumption Scope 1,2 & 3	Implemented	972
Energy efficiency: Building fabric	Implementation of solar reflective roof paint at NAB branches to reduce external roof temperatures and improve energy performance	Electricity consumption Scope 2 & 3	Implemented	86
Energy efficiency: Building services	Implementation of energy efficiency measures in commercial sites including lighting upgrades and operational improvements	Electricity consumption Scope 2 & 3	Implemented	11
Total emission reductions implemented in this reporting period				1,751
Total expected emission reductions in future reporting periods from currently identified opportunities				17,884

*Data in this table has been calculated by direct metering, invoiced data and extrapolation.

In addition to the emission reduction measures implemented in the 2015 environmental reporting year, we continue to purchase an NCOS Carbon Neutral product – Australian Paper’s Reflex 100% Recycled Carbon Neutral A3 and A4 office paper. If this purchase did not occur, our carbon footprint for 2015 would have increased by 1,128 tCO₂-e.

Carbon Emissions Summary

NAB's 2015 Australian carbon inventory is summarised in Table 3. A more detailed breakdown of carbon emissions sources and activity data is provided in our [2015 Dig Deeper](#) paper.

Table 3: Australian Carbon Inventory

Scope	Emission Source	tCO ₂ -e
1	Building-based refrigerants - HVAC, refrigerators	866
1	Business travel - Work-use vehicles fleet: diesel, petrol, ethanol	4,503
1	Stationary energy - combustion of fuel: diesel, gas, propane	6,811
1	Work-use vehicle fleet - air conditioning refrigerant	111
2	Stationary energy - electricity	130,096
Total Scope 1 and Scope 2 emissions		142,387
3	A4 and A3 paper purchased - non carbon neutral	13
3	A4 and A3 paper purchased - carbon neutral (741 tonnes)	0
3	Base-building energy - combustion of fuel: diesel, gas	1,623
3	Base-building energy - electricity	20,238
3	Business travel – air	21,526
3	Business travel - employee vehicle: work purpose claims	1,518
3	Business travel - hotel stays	3,955
3	Business travel - rental cars	206
3	Business travel - taxi use	1,277
3	Business travel - Work-use vehicles fleet: diesel, petrol, ethanol (T&D losses)	353
3	Transmission Losses - base-building energy: diesel, gas, electricity	2,929
3	Transmission Losses - stationary energy: diesel, gas, electricity	17,924
3	Waste to Landfill	2,530
Total Gross Emissions (Scope 1,2 & 3)		216,479
GreenPower or LGC reductions		0
Total Net Emissions		216,479

Carbon Offsets

NAB Group manage our offsets on a consolidated basis. NAB Group's *Environmental Reporting and Offset Management Standard* provides guidance on the purchase of quality offsets to ensure that any purchase of offsets meets the objective of NAB Group's carbon neutral commitment and any related carbon neutral accreditation or certification processes.

At NAB Group we apply a forward purchasing model to meet our carbon neutral commitment. This means we have calculated our forecast carbon emissions for the 2016 environmental reporting year using the actual carbon emissions reported in our 2015 carbon inventory and then we have purchased and retired carbon offsets⁸ in advance of the 2016 environmental reporting year estimated carbon emissions occurring (refer to Table 5).

This also means at the end of each environmental reporting year, we need to reconcile the forecast carbon emissions and retired offsets and ensure this

reconciles with the actual position. If there is any shortfall of offsets at this time, we retire additional offsets to neutralise our actual carbon emissions for the relevant environmental reporting period. In 2014, we retired 278,048 offsets in advance to cover forecast global carbon emissions for the 2015 environmental reporting year. Following reconciliation of actual carbon emissions for the 2015 environmental reporting year, only 255,940 offsets needed to be retired (refer to Table 4).

The offsets we retired last year in excess of our actual 2015 global carbon emissions have been banked for use in future years. This enables us to have retired offsets available should our reconciliation process identify carbon emissions volumes which vary from our forecasts. This avoids us having to access the market at short notice and therefore limits our exposure to supply risk or the price implications of this (refer to Table 6).

Table 4: Retired Carbon Offsets for Actual 2015 Group Carbon Emissions

Offset Type	Registry	Serial number	Quantity (tCO ₂ -e)
RE – Geothermal	APX VCU Registry	1109-49885669-49899142-VCU-008-MER-TR-1-120-01012010-31072010-0	13,474
Biomass fuel switch	Markit	1602-67253385-67271384-VCU-008-MER-TH-4-403-01012009-30062009-0	18,000
RE - Wind	Markit	1404-60740678-60764828-VCU-020-MER-IN-1-429-01012010-30062010-0	24,151
Biomass fuel switch	Markit	2021-81733065-81778064-VCU-008-MER-TH-4-403-01012010-31122010-0	45,000
Methane capture	UK EU ETS Registry	CN-05-00-638644244-01-01-0-1929 - CN-05-00-638695001-01-01-0-1929	50,758
RE - Wind	UK EU ETS Registry	CN-5-695585872-695651320-01-01-0004367	50,000
RE - Run of River Hydropower	APX VCU Registry	3300-148573597-148603153-VCU-008-APX-IN-1-1114-28122010-31122011-0	29,557
Waste Heat Recovery	APX VCU Registry	3418-152211937-152236936-VCU-002-APX-KP-1-786-01012011-31122011-0	25,000
Total			255,940

8. The term "retire" is used throughout, including where the offset has been cancelled or surrendered.

Table 5: Carbon Offsets Retired in Advance for Forecast 2016 Group Carbon Emissions

Offset Type	Registry	Serial number	Quantity (tCO ₂ -e)
Forestry	NZ Emissions Unit Register	50132119158-50132130157	11,000
Biomass fuel switch	Markit	1464-62109891-62125890-VCU-008-MER-BR-1-34-01022010-31122010-1	16,000
RE - Run of River Hydropower	APX VCU Registry	3114-137207483-137210301-VCU-008-APX-IN-1-1114-28122010-31122011-0	2,819
RE – Wind	Markit	1404-60764829-60770936-VCU-020-MER-IN-1-429-01012010-30062010-0	6,108
Forestry	Australian Emissions Reductions Fund Register	3655938856-365596187	24,332
RE – Wind	APX VCU Registry	3848-166154321-166214320-VCU-048-APX-IN-1-1352-01012012-31122012-0	60,000
RE - Run of River Hydropower	ANREU	10,720,400 – 10,757,700	37,301
Forestry	VCS Project Database	3937-168537016-168572015-VCU-016-APX-PG-14-1122-22052009-31122012-0	35,000
Biogas Utilisation	ANREU	4,528,479 – 4,578,478	50,000
Total			242,560

Table 6: Retired Carbon Offsets Banked for Future Use

Offset Type	Registry	Serial number	Quantity (tCO ₂ -e)
RE - Geothermal	Markit	3370-151555776-151605561-VCU-010-MER-ID-1-144-01042011-31122011-0	49,786
RE - Run of River Hydropower	APX VCU Registry	3207-145120519-145128518-VCU-008-APX-IN-1-1114-01012012-31102012-0	8,000
RE - Wind	APX VCU Registry	3850-166224518-166236517-VCU-048-APX-IN-1-1352-01012012-31122012-0	12,000
RE - Wind	APX VCU Registry	3848-166214321-166217320-VCU-048-APX-IN-1-1352-01012012-31122012-0	3,000
RE – Geothermal	Markit	371-151605751-151640750-VCU-010-MER-ID-1-144-01012012-31072012-0	35,000
RE - Geothermal	Markit	371-151640751-151655750-VCU-010-MER-ID-1-144-01012012-31072012-0	15,000
RE - Run of River Hydropower	ANREU	10757701 – 10807700	50,000
Biogas Utilisation	ANREU	4,578,479 – 4,628,478	50,000
Total			222,786

Declaration

To the best of my knowledge and having met the requirements of the National Carbon Offset Standard Carbon Neutral Program, the information provided in this Public Disclosure Summary is true and correct.

A handwritten signature in black ink that reads "Renee Roberts". The signature is written in a cursive style with a large, looped initial 'R'.

Renee Roberts

Group Executive, Enterprise Services & Transformation
23 October 2015

External Verification

NAB's submission for the purposes of certification under the Carbon Neutral Program was provided to the Department in compliance with the due date of 30 October 2015. Due to our participation in a pilot to streamline the NCOS reporting and assurance process, the assurance activities over our Carbon Neutral Program submission were performed prior to 30 October and then the assurance report was signed post 30 October once the Department had indicated they were satisfied with the streamlined assurance process.



Independent assurance report to the management of National Australia Bank Limited on the National Carbon Offset Standard

Our conclusions

a) Reasonable assurance - Scope 1 and 2 GHG emissions

In our opinion, National Australia Bank Limited's Scope 1 and 2 greenhouse gas (GHG) emissions, as reported in the Public Disclosure Summary for the year ended 30 June 2015 are, in all material respects, in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

b) Limited assurance – Public Disclosure Summary and Scope 3 GHG emissions

Based on the limited assurance procedures performed, as detailed below, nothing has come to our attention that would lead us to believe that National Australia Bank Limited's Public Disclosure Summary, including reported Scope 3 GHG emissions for the year ended 30 June 2015, is not, in all material respects, prepared and presented in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

We have been engaged by National Australia Bank ("NAB" or "the Participant") to undertake an assurance engagement in relation to its Australian entities for the purposes of maintaining certification under the National Carbon Offset Standard (NCOS). Specifically, we are responsible for providing:

- Reasonable assurance in respect of total Scope 1 and 2 GHG emissions of 142,387 tonnes of carbon dioxide equivalent (tCO₂-e) for the year ended 30 June 2015; and
- Limited assurance in respect of the Public Disclosure Summary for the year ended 30 June 2015, including Scope 3 GHG emissions of 74,092 tCO₂-e, carbon offsets and emission reduction measures.

We conducted our assurance engagement in accordance with applicable auditing and assurance standards including *ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ASAE 3000) and *ASAE 3410 Assurance on Greenhouse Gas Statements* (ASAE 3410). These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on the GHG emissions and the NCOS information, and to comply with the independence requirements of the Code of Ethics for Professional Accountants issued by the International Federation of Accountants.

Participant's Responsibilities

As the participant, NAB is responsible for the preparation and presentation of the Public Disclosure Summary in accordance with the NCOS, the National Carbon Standard Carbon Neutral Program Guidelines ("the Guidelines") and internal reporting methodologies including the NAB Group Environmental Reporting and Offset Management Standard ("the Framework"). NAB is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Public Disclosure Summary that is free from material misstatement, whether due to fraud or error.

Reasonable assurance over the Scope 1 and 2 GHG emissions

KPMG has undertaken the following procedures that are considered appropriate to be able to provide a reasonable assurance conclusion over reported Scope 1 and 2 GHG emissions:

- Interviewed key NAB personnel to understand the governance and reporting framework over GHG information.
- Understood and challenged management's interpretation of operational control and the process undertaken to confirm the boundary of reporting.
- Tested the design, implementation and operating effectiveness of controls around data collection and reporting.
- Undertaken substantive testing of full year material data by agreeing a sample of data to source documentation (E.g. invoices).
- Undertaken analytical procedures over the GHG emissions data and offset information
- Tested GHG emissions factors used from the National Greenhouse and Energy Reporting (Measurement) Determination.
- Agreed the final reported GHG emissions in the GHG Inventory to underlying evidence and performed mathematical checks.
- Assessed the reasonableness of assumptions applied.

Limited assurance over the Public Disclosure Summary

In forming our limited assurance conclusion over the Public Disclosure Summary, the procedures we performed were based on our professional judgement and consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviewed key NAB personnel concerning NAB's Carbon Neutral Program, compliance with NCOS, Emissions Reduction Strategy and Offset Purchasing and Retirement Strategy, and the implementation of these across the business.
- Reviewed NAB policies and documentation, including the Framework.
- Interviewed key NAB personnel to obtain an understanding of the process for data collection, estimation, calculation and reporting of NCOS information.
- Assessed key management assumptions
- Assessed overall reporting for accuracy and completeness, and perform mathematical checks.
- Reviewed NAB's submission to NCOS, being the NCOS Annual Inventory, to ensure consistency with the Public Disclosure Summary.
- Reviewed the Public Disclosure Summary for consistency with NCOS requirements and other environmental data reported by NAB, including data presented in the 30 June 2015 NAB Group Environmental Performance Summary and the *National Greenhouse and Energy Reporting Act* reporting.

For certification boundary:

- Interviewed key NAB personnel to understand the reporting boundaries of Scope 3 GHG emissions, including operational activities that result in GHG emissions, boundary inclusions and exclusions and changes in boundaries.
- Reviewed certification boundary diagram to ensure consistency with the Framework.

For reported Scope 3 GHG emissions:

- Obtained an understanding of how the Scope 3 activity data is collected and consideration as to the accuracy and completeness of raw data.

- Agreed the GHG emissions summary data to NAB's internal systems and performed walkthroughs to source documentation.
- Performed analytical procedures over the Scope 3 GHG emissions.
- Assessed the appropriateness of GHG emissions factors applied to each Scope 3 GHG emissions source.

For reported carbon offsets:

- Vouched carbon offsets purchased and retired to third party information on a sample basis, to confirm and evidence the retirement of those offsets.
- Reviewed the text relating to the forward purchasing offset model for consistency with the Framework.
- Reviewed reconciliation of the reported total net GHG emissions with the total offsets retired, and total offsets held in surplus for future years.

For Emissions Reduction Measures:

- Agreed the GHG emissions over time to prior year NCOS Reporting.
- Agreed GHG emissions reduction actions to NAB's energy saving calculations.
- Ensured that the text relating to GHG emissions reduction measures is consistent with NAB's environmental objectives.

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. Accordingly, we do not express a reasonable assurance opinion over the Public Disclosure Summary.

Inherent Limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed on a test basis.

In addition non-financial information, such as GHG emissions, possess a greater inherent risk of misstatement than financial data, due to the nature of the information and the uncertainties inherent in the methods used for determining such information. We specifically note that NAB has used estimated or extrapolated underlying information to calculate amounts included in the Scope 3 GHG emissions.

The assurance conclusions expressed in this Report has been formed on the above basis.

Limitations on Use

This report has been prepared for the management of NAB and the Department of the Environment, solely for use in relation to the NCOS Carbon Neutral Program. As a result the assurance report may not be suitable for another purpose. We disclaim any liability for reliance upon this Report by any other party or for any other purpose other than that for which it was prepared.



Chi Mun Woo
Partner



KPMG
Melbourne
17 December 2015