



# **PUBLIC DISCLOSURE STATEMENT**

**NATIONAL AUSTRALIA BANK LIMITED**

**ORGANISATION  
2019-2020**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**



NAME OF CERTIFIED ENTITY: National Australia Bank Limited

REPORTING PERIOD: 1 July 2019 – 30 June 2020

**Declaration**

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature 

Date **3 February 2021**

Name of Signatory

**Sharon Cook**

Position of Signatory

**Group Executive, Legal & Commercial Services**



**Australian Government**  
**Department of Industry, Science,**  
**Energy and Resources**

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# 1. CARBON NEUTRAL INFORMATION

## Description of certification

NAB<sup>1</sup> was the first Australian bank to be certified carbon neutral under the National Carbon Offset Standard (NCOS) Carbon Neutral Program<sup>2</sup>. 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 (which can be accessed at [nab.com.au/environment](http://nab.com.au/environment)).

This report provides an overview of NAB's approach to maintaining our Climate Active carbon neutral (organisation) certification and achievements in managing and reducing our carbon emissions<sup>3</sup>. NAB has engaged a Climate Active registered consultant from KPMG Australia to undertake an independent technical assessment of this report based on agreed upon procedures. The next technical assessment is due 30 June 2023.

## Organisation description

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 Group's<sup>4</sup> primary operations are in Australia and New Zealand with branch offices in the United Kingdom (UK), the United States (US) and parts of Asia. This Public Disclosure Summary principally reports on the carbon neutral management and activities for the Australian-based operations of NAB Group.

## Emissions reduction strategy

### OUR GLOBAL CARBON EMISSIONS

NAB Group's global carbon emissions (net of UK certified renewable electricity, Large Generation Certificates (LGCs) surrendered, and carbon neutral paper purchased in Australia and New Zealand) for the 2020 environmental reporting year (1 July 2019 - 30 June 2020)<sup>5</sup> were 149,452 tCO<sub>2</sub>-e. Our net Australian carbon emissions account for around 92% of net NAB Group emissions, or 136,906 tCO<sub>2</sub>-e. See Figure 2 below.

*“Achieving ten years carbon neutrality under Climate Active was a real milestone for NAB this year. Climate Active confirms to our customers and our colleagues the rigour behind our carbon neutral position. We look forward to seeing what we can achieve in the next ten years.”*

**Sharon Cook**  
**Group Executive, Legal & Commercial Services**

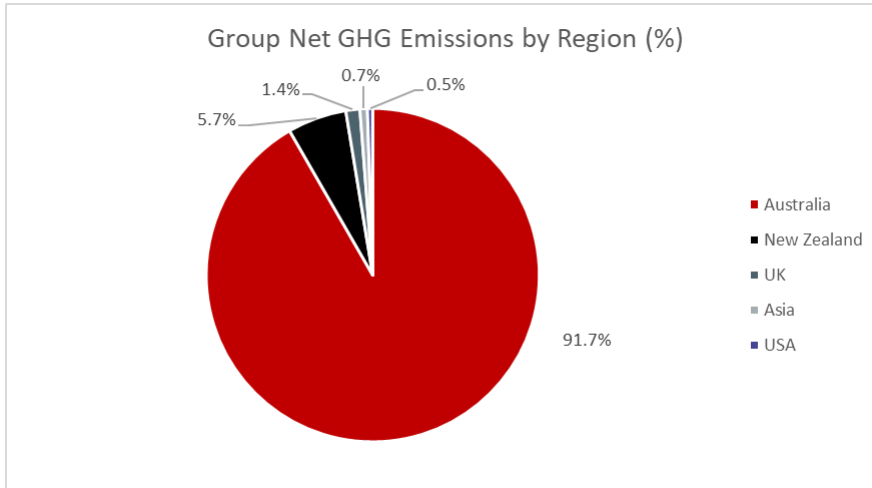
1 For the remainder of this document the word “NAB” refers to the Australian operations of National Australia Bank Limited and its controlled entities.

2 NAB achieved this milestone in 2010.

3 The term ‘carbon emissions’ covers greenhouse gas emissions from all relevant Kyoto Protocol gases and some CFCs and HCFCs under the Montreal Protocol

4 NAB Group has a very small 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.

5 For the remainder of this document “2020” refers to the 2020 environmental reporting year unless otherwise specified.



**Figure 2: Regional distribution of NAB Group 2020 Carbon Inventory\***

\*Figure 2 is based on NAB Group’s global carbon emissions (net of UK certified renewable electricity, LGC certificates surrendered and carbon neutral paper purchased in Australia and New Zealand).

**EMISSIONS OVER TIME**

Over time, the reduction in NAB’s carbon emissions has largely been due to improvements in the energy efficiency of the buildings we occupy. During 2020, there was a significant reduction in carbon emissions compared with prior years due to changes in building occupancy and the way we work (reduced travel and working from home) as a result of COVID-19.

**SUMMARY OF CHANGES TO THE CALCULATION METHODOLOGY**

Changes made to carbon emissions sources and methodologies applied to NAB’s carbon inventory since NAB’s initial NCOS certification in 2010, have been the inclusion of refrigerants in 2011 and water in 2016. Since 2019, we have also adopted hotel stays emission factors published by the New Zealand Ministry of Environment (MfE). The MfE hotel stays emissions factors are based on modelling by the Edinburgh Centre for Carbon Management. This was the basis for NAB’s own hotel stays emissions factors, which were applied in prior reporting years. Since 2020, the emission factors applied to our air travel activity includes radiative forcing.

In 2020, we introduced an estimate of energy use (gas and electricity) and emissions for colleagues working from home (WFH). This estimate is based on known number of employees working from home and it uses average household energy use as published by the Australian Energy Regulator.

**SUMMARY OF CHANGES TO THE CARBON INVENTORY**

NAB’s overall gross Scope 1, 2 and 3 carbon emissions decreased by 8% in 2020 in comparison with 2019<sup>6</sup>. This was primarily attributable to COVID-19 due to the restrictions this placed on business travel and the decreased consumption of electricity due to reduced utilisation of office space, which led to a 12% reduction in Scope 2 carbon emissions.

<sup>6</sup> 2019” in this document refers to the 2019 environmental reporting year (1 July 2018 – 30 June 2019) unless otherwise specified.

In 2020, NAB's Scope 1 carbon emissions decreased by 13% compared with 2019. This was primarily due to a 17% decrease in business travel emissions from work use vehicles (petrol, diesel and hybrid) and a 16% decrease in stationary energy combustion (gas, diesel and propane) offset by an increase in refrigerant related emissions following an update to leakage rates.

NAB's Scope 3 carbon emissions decreased by 2% overall from the prior reporting year. Emissions from air travel increased by 5% despite reduced travel activity. This was due to NAB applying emissions factors which incorporate radiative forcing for the first time. With a significant number of employees working from home due to COVID-19, a new carbon inventory item for WFH emissions (electricity and gas) increased our Scope 3 emissions by 3,453 tCO<sub>2</sub>-e. These increases were offset by a decrease in all other Scope 3 emissions – including a 9% reduction in emissions from base building electricity use and an 11% decrease in the associated transmission losses.

**Table 1. NAB's Australian Climate Active emissions since base year**

	Climate Active Base Year (2010)	2017	2018	2019	2020 (Market-based)	2020 (Location-based)
<b>Scope 1</b>	11,858	15,052	15,205	15,238	13,469	13,469
<b>Scope 2</b>	148,666	100,316	94,526	84,766	69,943	77,512
<b>Scope 3</b>	94,630	57,532	56,965	55,056	53,494	54,167
<b>Total (tCO<sub>2</sub>-e)</b>	<b>255,154</b>	<b>172,901</b>	<b>166,695</b>	<b>155,060</b>	<b>136,906</b>	<b>145,148</b>

## CARBON 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 of our environmental performance data at a business unit level, in addition to review by Risk and an independent assurance provider.

Executive level oversight is provided by NAB's Group Non-Financial Risk Committee.

As per our *Environmental Reporting and Offset Management Policy*, the NAB 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.

Reducing our carbon emissions and achieving our resource efficiency targets are key elements that support delivery of our Environmental Agenda. Further information regarding our performance towards our targets can be found in our [2020 Sustainability Report](#).

In 2020, we voluntarily surrendered 7,421 LGCs which account for 10% of our total electricity consumption in Australia. We continue to create LGCs through on-site solar and 2020 was the first full year of surrendering LGC's from the Crowlands wind farm as part of the Melbourne Renewable Energy Project.

In addition to the emission reduction measures implemented in 2020, we continue to purchase a Climate Active Carbon Neutral product – Australian Paper's Reflex 100% Recycled Carbon Neutral A3, A4, A5 and other office paper. If this purchase did not occur, our carbon footprint for 2020 would have increased by 675 tCO<sub>2</sub>-e.

## 2. EMISSIONS BOUNDARY

### Diagram of the certification boundary

#### Within Certification Boundary

##### Quantified

- Stationary Energy – Diesel
- Stationary Energy – Gas
- Vehicle fleet fuels
- Building-based refrigerant leakage
- Vehicle fleet refrigerant leakage
- Stationary Energy – Electricity
- Stationary Energy – Base Building Gas
- Stationary Energy – Base Building Electricity
- Stationary Energy – Diesel (T&D losses)
- Stationary Energy – Gas (T&D losses)
- Vehicle fuels (T&D losses)
- Stationary Energy – Electricity (T&D losses)
- Stationary Energy – Base Building Gas (T&D losses)
- Stationary Energy – Base Building Electricity (T&D losses)
- Business flights
- Vehicle Personal fuels
- Taxi fuels
- Office paper
- Hotel Stays
- Rental vehicle fuels
- Waste to landfill
- Water
- Working from home – Electricity & Gas

##### Non-quantified

Postage and freight

#### Outside Certification Boundary

##### Excluded

- Staff commuting
- Food and catering
- Cleaning services

### Non-quantified sources

'*Postage and freight*' is considered to be within NAB's emissions boundary, but is not quantified on the basis of immateriality. As per guidance from Climate Active, we intend to work with relevant industry representatives to develop a methodology and apply an uplift by 2023-2024.

### Excluded sources (outside of certification boundary)

'*Staff commuting*' has been excluded as it has been assessed as not relevant according to the relevance test. Refer to *Appendix 1: Excluded Emissions* for more information.

## 3. EMISSIONS SUMMARY

NAB's 2020 Australian Climate Active carbon inventory is summarised in Table 3. A more detailed breakdown of NAB Group-wide carbon emissions sources and activity data is provided in our [2020 Sustainability Report](#) and [2020 Sustainability Data Pack](#).

### Emissions summary (inventory)

Scope	Emission source category	tonnes CO <sub>2</sub> -e*
1	Building-based refrigerant leakages	1,376
1	Business travel - vehicle fleet: diesel, petrol, ethanol	4,278
1	Stationary energy - combustion of fuel: diesel, gas, propane	7,617
1	Work-use vehicle fleet - air conditioning refrigerant	197
<b>Total Gross Emissions (Scope 1)</b>		<b>13,469</b>
2	Stationary energy – electricity (location-based)	77,512
<b>Total Gross Emissions (Scope 2)</b>		<b>77,512</b>
3	A4 and A3 paper purchased	2
3	A4 & A3 Climate Active carbon neutral paper	0
3	Base-building energy - combustion of fuel: diesel, gas	1,535
3	Base-building energy - electricity	15,251
3	Business travel - air	16,854
3	Business travel - employee vehicle: work purpose claims	1,259
3	Business travel - hotel stays	2,522
3	Business travel - rental cars	106
3	Business travel - taxi use	435
3	Transmission losses - work-use vehicles fleet	222
3	Transmission losses - base-building energy: diesel, gas, electricity	1,797
3	Transmission losses - stationary energy: diesel, gas, electricity	8,770
3	Waste to landfill	1,642
3	Water	319
3	Work from home emissions: electricity	2,878
3	Work from home emissions: gas	258
3	Transmission losses - working from home energy: electricity, gas	316
<b>Total Gross Emissions (Scope 3)</b>		<b>54,167</b>
<b>Total Gross Emissions (Scope 1, 2 &amp; 3)</b>		<b>145,148</b>
<b>Green Power or LGC Reductions (tCO<sub>2</sub>-e)</b>		<b>8,242</b>
<b>Total Net Emissions</b>		<b>136,906</b>

\* Numbers may not sum due to rounding.



## Carbon neutral products

Scope	Climate Active carbon neutral products	tonnes CO <sub>2</sub> -e
3	Office Paper - Carbon Neutral A4 & A3	673
3	Office Paper - Carbon Neutral A5 & Other	2
<i>Total carbon emissions (mitigated emissions)</i>		675

## Electricity summary

A market-based approach for the entire NAB Group is available in our [Sustainability Data Pack](#).

### Market-based approach electricity summary

Electricity inventory items (includes direct electricity + base building electricity)	kWh	Emissions (tonnes CO <sub>2</sub> -e)
Electricity Renewables*	26,348,192	0.00
Electricity Carbon Neutral Power	0	0.00
Electricity Remaining	75,410,906	81,526.73
Renewable electricity percentage*	26%	
<i>Net electricity emissions (Market-based approach)</i>		81,527

\* Climate Active Electricity Renewables includes the Renewable Energy Target (18.6%) which is excluded from NAB Group's RE100 calculations.

### Location-based summary

State/ Territory	Electricity Inventory items (direct electricity + base building electricity)	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO <sub>2</sub> -e)
ACT/NSWW	Electricity Total	24,332,775	0.90	21,900
SA	Electricity Total	2,818,785	0.53	1,494
Vic	Electricity Renewables	7,421,000	-1.12	-8,312*
Vic	Electricity Total	58,428,857	1.12	65,440
Qld	Electricity Total	10,766,789	0.93	10,013
NT	Electricity Total	284,549	0.71	202
WA	Electricity Total	4,716,657	0.74	3,490
Tas	Electricity Total	410,687	0.17	70
<i>Total net electricity emissions</i>				94,298

\* Scope 3 GHG emissions associated with LGCs created onsite (transmission & distribution losses) have not been applied to renewables in NAB's GHG accounting in our [2020 Sustainability Report](#) and [2020 Sustainability Data Pack](#).

## 4. CARBON OFFSETS

**Offset purchasing strategy:** forward purchasing

### Forward purchasing summary – NAB Group

1. Total offsets previously forward purchased for this reporting period	168,175
2. Total offsets required for this reporting period	149,452
3. Net offset balance for this reporting period	(18,723)
4. Total offsets to be forward purchased for next reporting period	149,452

## Offsets summary

<b>1. Total offsets required for this report</b>	<b>130,729</b>								
<b>2. Offsets retired in previous reports and used in this report</b>	<b>18,723</b>								
<b>3. Net offsets required for this report</b>	<b>0</b>								
<b>Total offsets retired this report and used in this report</b>									
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO <sub>2</sub> -e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Gunung Salak, Geothermal, Indonesia	VCU	APX VCS Registry	12/04/2018	<a href="#">5734-257275298-257345297-VCU-005-APX-ID-1-144-01012015-31122015-0*</a>	2015	70,000	0	50,894	19,106
Gunung Salak, Geothermal, Indonesia	VCU	APX VCS Registry	27/04/2017	<a href="#">5011-209240966-209246584-VCU-005-APX-ID-1-144-01012015-31122015-0*</a>	2015	5,619	0	0	5,619
Yongren Ganbala Solar PV, China	CER	EU Climate Registry	20/04/2017	<a href="#">CN-5-1014652231-2-2-0-9291-CN-5-1014699375-2-2-0-9291*</a>	2014	47,145	8,277	0	38,868
InfraVest Changbin and Taichung bundled Wind Farms Project, Taiwan	GS	Markit	11/04/2016	<a href="#">GS1-1-TW-GS472-12-2014-4605-34085 to 145121</a>	2014	111,037	103,538	0	7,499
InfraVest Changbin and Taichung bundled Wind Farms Project, Taiwan	GS	Markit	27/04/2017	<a href="#">GS1-1-TW-GS472-12-2015-4604-56136 to 68392</a>	2015	12,257	0	0	12,257
InfraVest Changbin and Taichung bundled Wind Farms Project, Taiwan	GS	Markit	27/04/2017	<a href="#">GS1-1-TW-GS472-12-2015-5121-92411 to 124195</a>	2015	31,785	0	0	31,785
National Bio Energy Changtu Biomass Power Plant, China	GS	Markit	3/04/2018	<a href="#">GS1-1-CN-GS2503-9-2015-6012-45543 to 69860</a>	2015	24,318	0	0	24,318
Southern Aurukun, Savanna burning, Australia	ACCU	ANREU	22/10/2019	3,786,101,714-3,786,111,713*	2019	10,000	0	0	10,000

\*These retired offsets are no longer visible in a public registry, documentation has been provided to Climate Active.

## Total offsets retired this report and banked for future reports

Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO <sub>2</sub> -e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
InfraVest Changbin and Taichung bundled Wind Farms Project -Taiwan	GS	Markit	12/04/2018	<a href="#">GS1-1-TW-GS472-12-2016-5120-2430 to 28387</a>	2016	25,958	0	25,958	0
Aak Puul Ngantam, Savanna burning, Australia	ACCUs	ANREU	30/06/2020	3,799,445,010 - 3,799,454,009*	2020	9,000	0	9,000	0
National Bio Energy Changtu Biomass Power Plant, China	GS	Markit	3/04/2018	<a href="#">GS1-1-CN-GS2503-9-2016-6011-41759 to 87440</a>	2016	45,682	0	45,682	0
Sarbari-I small hydro project, India	VCU	Markit	3/04/2018	5706-255982354-256004975-VCU-034-APX-IN-1-483-01012016-31122016-0*	2016	22,622	0	22,622	0
Sarbari-I small hydro project, India	VCU	Markit	3/04/2018	5709-256011044-256041213-VCU-034-APX-IN-1-483-01012017-31122017-0*	2017	30,170	0	30,170	0
Sarbari-I small hydro project, India	VCU	Markit	3/04/2018	5707-256004976-256005600-VCU-034-APX-IN-1-483-01012018-31012018-0*	2018	625	0	625	0
Gansu Changma Wind, China	VCU	VCS Project Database	11/04/2019	6494-323911901-323981900-VCU-034-APX-CN-1-717-01012017-31122017-0*	2017	70,000	0	70,000	0
Bundled Solar Power by Solararise, India	VCU	VCS Project Database	26/04/2019	6647-329216685-329232121-VCU-034-APX-IN-1-1762-01012017-31122017-0*	2017	15,437	0	15,437	0
Bundled Solar Power by Solararise, India	VCU	VCS Project Database	26/04/2019	6646-329154366-329216684-VCU-034-APX-IN-1-1762-01012018-25042018-0*	2018	62,319	0	62,319	0

\*These retired offsets are no longer visible in a public registry, documentation has been provided to Climate Active.

## Co-benefits

All of our international offsets are selected from renewable energy projects. 93% of offsets for 2020 were sourced from international projects and the remaining 7% were sourced from an Australian Indigenous savanna burning project.

## 5. USE OF TRADE MARK

Description where trademark used	Logo type
Climate Active PDS 2020	Certified organisation
Email footer for NAB's Sustainability team members	Certified organisation

## 6.APPENDIX 1: EXCLUDED EMISSIONS

NAB has used the 'relevance test' in line with the Climate Active Standard for Organisations (the Standard) in determining our non-attributable emissions boundary exclusions detailed in Section 2: Emissions Boundary. Per Section 2.3.1 of the Standard, if the emissions source meets at least 2 of the below 5 criteria, then it is considered relevant for the footprint.

Excluded Emission	Relevance Test					Justification
	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>	
Food and catering	X	X	X	✓ - onsite X - offsite	X	Food and catering is not a large emission source relative to NAB's total emissions, it does not contribute to significant greenhouse gas risk exposure and key stakeholders do not deem this emission source relevant. The potential to influence the reduction of carbon emissions is limited to onsite food catering.
Cleaning services	X	X	X	✓	X	Cleaning services is not a large emission source relative to NAB's total emissions, does not contribute to significant greenhouse gas risk exposure and NAB believes that stakeholders would not expect it to be deemed a relevant emission source. NAB has the potential to influence the reduction of emissions from cleaning services.
Staff commuting	✓	X	X	X	X	Staff commuting is expected to be a large emissions source. However, NAB has no authority to require staff to commute to work in any particular manner and does not expect stakeholders to deem this emission source relevant.