

# ENVIRONMENT DIG DEEPER

**EQUATOR PRINCIPLES**  
GAS  
WASTE  
ADVOCACY  
GREENHOUSE GAS EMISSIONS  
RISK  
ENERGY  
FOOTPRINT  
WATER  
CLIMATE CHANGE  
CARBON TRADING  
PRODUCTS AND SERVICES  
EQUATOR PRINCIPLES  
OPERATIONAL ENERGY  
RESPONSIBLE FINANCE  
CARBON TRADING  
ENVIRONMENTAL RISK  
CLIMATE CHANGE  
EMISSIONS  
ADVOCACY  
WASTE  
ENERGY  
GAS  
FINANCE  
ENERGY  
EMISSIONS  
GAS  
WASTE  
RESPONSIBLE CLIMATE CHANGE  
PRODUCTS AND SERVICES  
ADVOCACY  
FOOTPRINT  
RESPONSIBLE WATER  
EQUATOR PRINCIPLES  
OPERATIONAL FOOTPRINT  
ENVIRONMENTAL OPERATIONAL FOOTPRINT  
GREENHOUSE GAS EMISSIONS  
CLIMATE CHANGE  
ENVIRONMENTAL RISK

## ENVIRONMENTAL ISSUES

As part of our Corporate Responsibility (CR) materiality process, we engage with our stakeholders to identify relevant environmental issues for our Company. The environmental issues identified as relevant to NAB are:

### ENVIRONMENTAL IMPACT OF OPERATIONS

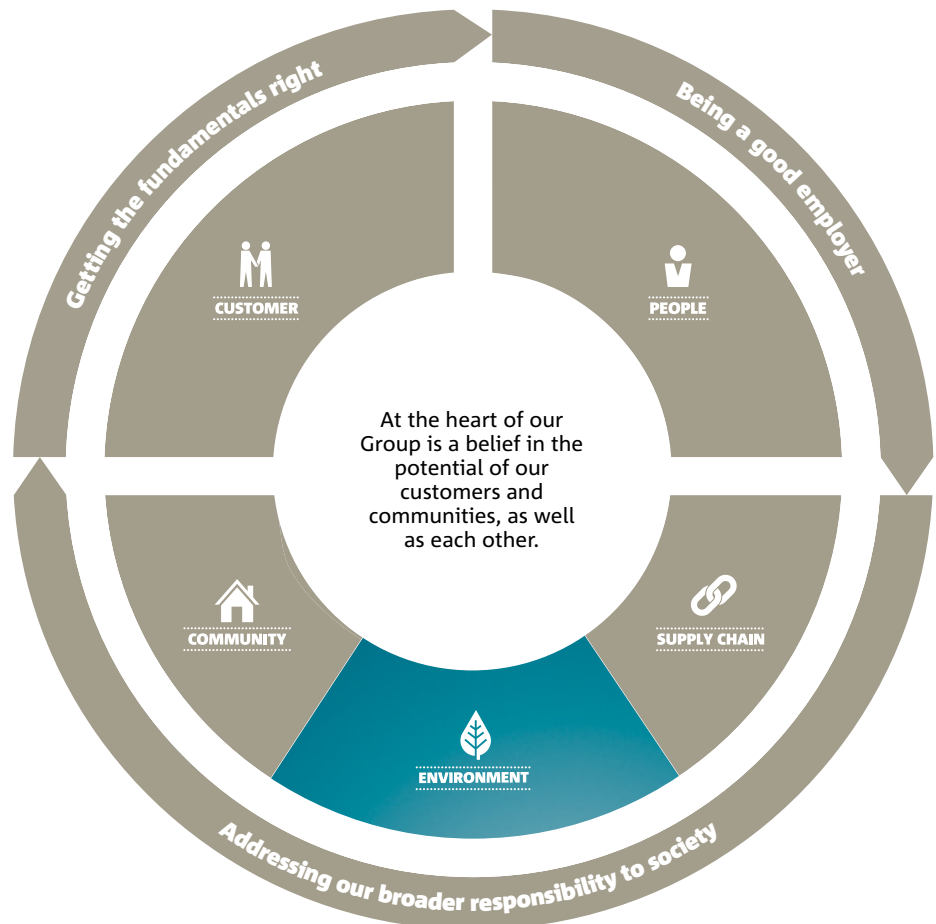
### ENVIRONMENTAL PRODUCTS AND SERVICES

### FINANCING ENVIRONMENTAL INNOVATION AND BUSINESS

### MANAGING EXPOSURE TO ENVIRONMENTAL RISK

#### Committed to the environment

We are committed to managing the impact of our business on the environment. Taking a sustainable approach to managing our business is important not only for the environment, but also for the long-term growth and resilience of our business.



## THE PURPOSE OF OUR DIG DEEPER PAPERS

In 2010, for the first time, we combined our annual Shareholder Review and CR Review into an integrated report on our business. To focus the content in the Annual Review, we undertook a CR materiality process to assess the most significant issues in each of our CR segments. We then focused on including metrics in the report related to these issues (for more on our CR materiality process, visit our website <http://www.nabgroup.com/corporateresponsibility>).

We understand, however, that we have a diverse range of stakeholders, with a wide range of interests in our business. In the interest of transparent reporting, and recognising these diverse stakeholder demands, we have produced this series of *Dig Deeper* papers, to provide a broader suite of data for interested readers.

In pulling these papers together, we have referred to the Global Reporting Initiative Sustainability Reporting Guidelines (G3), as well as back to our CR issues map and materiality process.

Further information on how we manage key issues, key programs, case studies and news stories can be found at [www.nabgroup.com/cr](http://www.nabgroup.com/cr).

We hope we've met your data needs below. If we haven't, please let us know by emailing [corporate.responsibility@nab.com.au](mailto:corporate.responsibility@nab.com.au).

Unless otherwise stated, all data in this *Dig Deeper* is reported for the period 1 July 2009 to 30 June 2010 and all graphs represent Group-wide data from internal sources. In this report, 'US' refers to the performance and data from our New York office and Great Western Bank operations.

## ENERGY USE

### DIRECT AND INDIRECT ENERGY CONSUMPTION

GJ

	Group			Australia			New Zealand			United Kingdom			United States		Asia
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2010
Direct energy consumption	<b>325,434</b>	195,677	113,584	<b>162,191</b>	99,575	38,989	<b>58,182</b>	1,588	1,230	<b>80,049</b>	76,166	73,365	<b>24,911</b>	18,348	<b>102</b>
Indirect energy consumption	<b>790,173</b>	805,410	842,164	<b>500,927</b>	537,402	604,540	<b>79,658</b>	81,470	86,901	<b>160,467</b>	154,893	150,723	<b>45,745</b>	31,645	<b>3,377</b>
Total energy consumption	<b>1,115,607</b>	1,001,087	955,748	<b>663,118</b>	636,977	643,529	<b>137,839</b>	83,058	88,131	<b>240,516</b>	231,059	224,088	<b>70,656</b>	49,993	<b>3,479</b>

The Group's total energy consumption in 2010 was 1,115,607 GJ. This represents an 11% increase in energy use in 2010 compared to 2009. This was primarily due to inclusion of fuel-related energy use across the Group and an increase in gas consumption by our New Zealand business due to commissioning of new commercial office buildings. A small component of the increase was due to the first-time inclusion of energy use from our Asian operations.

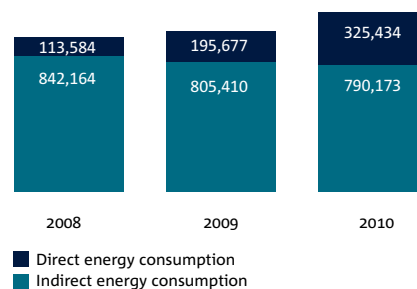
Energy efficiency programs across the Group delivered reductions in electricity consumption (indirect energy), particularly in Australia and New Zealand.

United States (US) energy use increased due to an expansion in our US branch network as a result of acquisition activity.

Direct energy consumption increased in Australia due to the implementation of a new tri-generation facility at our main data centre. This involved switching from electricity to gas – a lower emission fuel source – and has significantly reduced both electricity use and Scope 2 emissions in Australia.

### DIRECT AND INDIRECT ENERGY CONSUMPTION

GJ



- 'Direct energy consumption' means energy from fuel used in buildings for heating and back-up power generation, as well as fuel used in our vehicle fleet.
- 'Indirect energy consumption' refers to electricity consumption.
- Energy consumption in 2008 and 2009 represents stationary energy consumed in our buildings except for Australia. In 2009, our Australian business also included energy related to fuel and oil used in our work-use vehicle fleet to be consistent with regulatory reporting requirements under the *National Greenhouse and Energy Reporting Act 2007*. In 2010, all parts of the business that have fleet vehicles reported energy related to fuel use. In Australia, this continued to include reporting on oil used for maintenance of the vehicle fleet.
- GRI reference:  
EN3 – Direct energy consumption.  
EN4 – Indirect energy consumption.

## GREENHOUSE GAS (GHG) EMISSIONS

### GROSS GHG EMISSIONS BY SCOPE

tCO<sub>2</sub>-e

	Group			Australia			New Zealand			United Kingdom			United States		Asia
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2010
Total Scope 1 emissions	<b>22,084</b>	16,019	15,335	<b>11,858</b>	6,273	6,752	<b>4,009</b>	3,716	3,712	<b>4,770</b>	5,025	4,871	<b>1,447</b>	1,006	NR
Total Scope 2 emissions	<b>186,479</b>	193,709	207,020	<b>148,666</b>	160,510	182,006	<b>4,315</b>	4,413	3,980	<b>22,470</b>	21,615	21,034	<b>10,249</b>	7,171	<b>779</b>
Total Scope 3 emissions	<b>112,276</b>	57,022	40,906	<b>94,630</b>	43,966	31,595	<b>4,771</b>	4,305	2,644	<b>10,217</b>	7,983	6,667	<b>1,712</b>	767	<b>946</b>
Total GHG emissions	<b>320,839</b>	266,750	263,261	<b>255,154</b>	210,749	220,353	<b>13,095</b>	12,434	10,336	<b>37,457</b>	34,623	32,572	<b>13,409</b>	8,944	<b>1,724</b>

The Group's gross GHG emissions in 2010 were 320,839 tCO<sub>2</sub>-e. This is an increase of 20% compared to 2009. The key reasons for this increase included: (i) an expansion of our carbon inventory, (ii) changes in emission factors, (iii) inclusion of emissions from Asian and New York-based operations, (iv) increased coverage in energy use from base buildings not under NAB's direct operational control and (v) improved data capture in relation to air travel and hotel stays capture.

The net emissions from our business in 2010 were 251,964 tCO<sub>2</sub>-e. This net result is 21.5% lower than our gross emissions, due to the purchase of 20,199,727 KWh of government accredited GreenPower in Australia, and the purchase of 42,040 tCO<sub>2</sub>-e offsets by our United Kingdom (UK) and Australian-based businesses to neutralise their emissions due to business travel.

Since the end of the reporting period, NAB Group has met its commitment to become carbon neutral by the end of September 2010. We have been operating on a carbon neutral basis from the start of the 2011 reporting period (1 July 2010).

Further detail is provided about what we have done to become carbon neutral on our Group website at: <http://www.nabgroup.com.au/0,,102041,00.html>.

A full list of the emissions sources included in NAB's carbon inventory is shown in the table of gross GHG emissions by emission source.

Our Australian business contributes around 79% of the Group's emissions. The next biggest contributors are our businesses in the UK and New Zealand.

Stationary energy use (building-related energy use and data centres) is the largest source of emissions across the Group (around 81%). This includes energy use from our data centres, which represents 18% of the Group's emissions. The next most significant source of emissions is the indirect emissions we generate as a result of our air travel (10%).

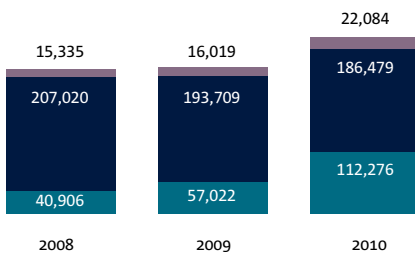
- 'NR' means not reported. Data unavailable in the reporting period.

**CARBON  
NEUTRAL**



## GROSS GHG EMISSIONS BY SCOPE

tCO<sub>2</sub>-e



■ Total Scope 1 emissions  
■ Total Scope 2 emissions  
■ Total Scope 3 emissions

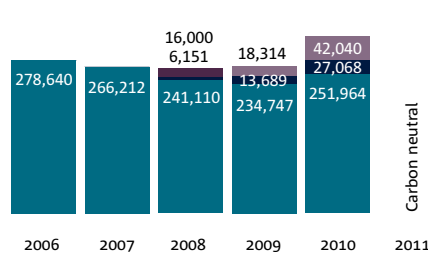
- Over the 2008–2010 period, we have expanded the scope of our carbon inventory to include additional GHG emissions from the following sources:

- 2008 – hotel stays
- 2009 – base-building energy, waste to landfill, status vehicles (UK only), rail (UK only) and A4 office paper
- 2010 – refrigerant usage, taxi travel, rental cars, A3 office paper, ferry (UK only), supplier travel (UK only) and additional base-building energy.

- GRI reference:  
EN16 – GHG emissions.  
EN17 – Other relevant indirect GHG emissions.

## GROUP GHG EMISSIONS

tCO<sub>2</sub>-e

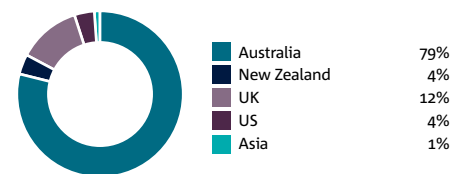


■ Offsets purchased for business travel  
■ GreenPower  
■ Net emissions

- NAB increased its purchase of GreenPower in 2010. GreenPower represented 15% of electricity purchased, which exceeds our commitment to purchase 10% of our Australian electricity use from GreenPower in 2010.
- Since 1 July 2010, NAB has been operating on a carbon neutral basis.
- Offsets purchased in 2008 were purchased by our Australian business only. In 2009 and 2010, offsets were purchased by our Australian and UK businesses.
- In the UK our business bought varying amounts of accredited (climate change levy exempt) green tariff electricity from 2006 through to 2009. This purchase was equivalent to the following reduction in GHG emissions in each of these years – 2006 (25,687 tCO<sub>2</sub>-e), 2007 (13,331 tCO<sub>2</sub>-e), 2008 (22,784 tCO<sub>2</sub>-e) and 2009 (23,414 tCO<sub>2</sub>-e). Due to a change in reporting rules in the DEFRA (Department for Environment, Food and Rural Affairs)/ DECC (Department of Energy & Climate Change) Company Reporting Guidelines emission factors requirements for 2009 – that grid average figures be used and gross GHG emissions due to electricity be reported – we re-baselined our UK electricity-based emissions in 2009 to remove the GHG emissions reduction from the historical purchases of accredited green tariff electricity. In 2010, we have ceased to purchase UK-based accredited green tariff electricity.
- GRI reference:  
EN16 – GHG emissions.  
EN17 – Other relevant indirect GHG emissions.

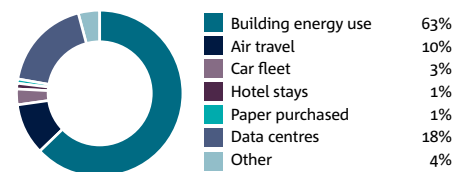
## GROSS GHG EMISSIONS BY REGION

tCO<sub>2</sub>-e



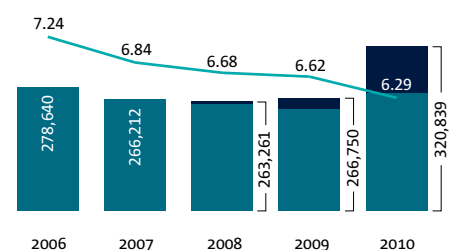
## GROSS GHG EMISSIONS BY GENERATING ACTIVITY

tCO<sub>2</sub>-e



## GROSS GHG EMISSIONS AND GHG EMISSIONS PER FTE

tCO<sub>2</sub>-e



■ GHG emissions (based on original scope)  
■ Additional emissions as a result of increased scope  
— GHG emissions per FTE (based on original scope)

- In 2009 and 2010, we have expanded the scope of our inventory to include additional GHG emissions.

## GROSS GHG EMISSIONS BY EMISSION SOURCE

tCO<sub>2</sub>-e

Emission source	Group	Australia	New Zealand	United Kingdom	United States	Asia
<b>Scope 1</b>						
Stationary energy – combustion of fuel: including diesel, gas and propane	9,935	4,582	520	3,639	1,194	0
Building-based refrigerants – in HVAC and refrigerators	2,623	2,173	184	106	161	NR
Business travel – work-use vehicle fleet (diesel, petrol)	9,265	5,417	3,267	492	90	NR
Status-use vehicle fleet – air conditioning refrigerant (UK only)	40	NR	NR	40	NR	NR
Work-use vehicle fleet – air conditioning refrigerant	145	83	38	21	2	NR
<b>Scope 2</b>						
Stationary energy – electricity	186,479	148,666	4,315	22,470	10,249	779
<b>Scope 3</b>						
A4 and A3 paper purchased	4,247	2,483	1,049	686	NR	29
Base-building energy use (diesel, gas) and electricity not under NAB's operational control (Australia only)	35,730	35,730	NR	NR	NR	NR
Business travel – air	30,874	24,416	2,278	2,885	560	735
Business travel – employee claims for use of personal vehicles for work purposes	4,224	1,686	161	2,037	339	NR
Business travel – ferry (UK only)	0.2	NR	NR	0.2	NR	NR
Business travel – hotel stays	3,445	2,506	286	474	115	63
Business travel – rail (UK only)	224	NR	NR	224	NR	NR
Business travel – rental cars	468	397	43	6	21	NR
Business travel – status-use vehicle fleet (diesel, petrol)	472	NR	NR	472	NR	NR
Business travel – taxi use	1,349	1,124	172	18	NR	35
Supplier business travel (UK only)	253	NR	NR	253	NR	NR
Transmission losses – base-building energy use (diesel, gas) and electricity not under NAB's operational control (Australia only)	4,656	4,656	NR	NR	NR	NR
Transmission losses – stationary energy (diesel, gas) and electricity	22,286	18,848	484	2,194	676	85
Waste to landfill	4,092	2,387	297	1,408	NR	NR
Water consumption (UK only)	31	NR	NR	31	NR	NR
<b>Total gross GHG emissions</b>	<b>320,839</b>	<b>255,154</b>	<b>13,095</b>	<b>37,457</b>	<b>13,409</b>	<b>1,724</b>

- 'NR' means not reported. Data unavailable in the reporting period.
- The following categories were estimated for Asia based on Hong Kong emissions by applying a tCO<sub>2</sub>-e/FTE extrapolation:
  - A4 and A3 paper purchased
  - Business travel – air
  - Business travel – hotel stays
  - Electricity
  - Transmission losses – electricity
  - Business travel – taxi use.
- The following categories were estimated for the US based on Great Western Bank emissions by applying a tCO<sub>2</sub>-e/FTE extrapolation:
  - Building-based refrigerants – in HVAC and refrigerators
  - Business travel – rental cars
  - Business travel – work-use vehicle fleet (diesel, petrol)
  - Work-use vehicle fleet – air conditioning refrigerant.
- GRI reference:
  - EN 19 – Emissions of ozone-depleting substances.
  - EN 20 – Emissions from fuel combustion includes NOx.

## OFFICE PAPER PURCHASED

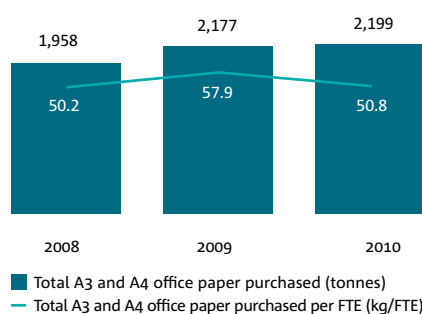
### A3 AND A4 OFFICE PAPER PURCHASED

	Group			Australia			New Zealand			United Kingdom			Asia
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010
Total A3 and A4 office paper purchased (tonnes)	<b>2,199</b>	2,177	1,958	<b>1,264</b>	1,189	1,186	<b>560</b>	576	302	<b>360</b>	412	470	<b>15</b>
% of A3 and A4 office paper purchased containing recycled content	<b>22.70%</b>	23.88%	19.94%	<b>0.02%</b>	0.06%	0.25%	<b>25.47%</b>	19.10%	6.00%	<b>99.05%</b>	99.30%	78.60%	<b>0.00%</b>
Total A3 and A4 office paper purchased per FTE (kg/FTE)	<b>50.8</b>	57.9	50.2	<b>44.7</b>	48.6	47.1	<b>123.9</b>	130.2	66.9	<b>41.6</b>	50.3	53.8	<b>45.2</b>

Group purchase of A3 and A4 paper in 2010 increased by 1.0% compared to 2009. This was primarily due to the additional reporting of A3 paper purchased and an increase in paper consumption as a result of increased FTE across Australia.

Group A3 and A4 paper purchased per FTE (kg/FTE) decreased in 2010 by 12.3% compared to 2009 as a result of various regionally based paper reduction initiatives.

### A3 AND A4 OFFICE PAPER PURCHASED



- GHG emissions resulting from A3 and A4 office paper purchased are reported as part of our carbon inventory in the table Gross GHG emissions by emission source.
- In 2010, we expanded the reporting of our office paper purchased to include A3 paper stock.
- Across the Group, all A3 and A4 office paper purchased used either ECF or ETF bleached pulp fibre and was made from sustainably managed forests.
- In the UK, all A3 and A4 office paper stock purchased contained a minimum of 20% de-inked post-consumer waste content. In Australia, the recycled paper stock contained a minimum of 65% post-consumer waste, while virgin paper stock was Carbon Neutral NCPs certified paper. In New Zealand, recycled paper stock contained 50% post-consumer waste.
- In 2010, we have extended our coverage of A3 and A4 office paper purchased to include Asia. Asia does not currently use A3 and A4 office paper with recycled content.
- In the US, we do not currently report A3 and A4 office paper stock purchased, but work is underway to collect and include this information in future reporting years.
- GRI reference:  
EN1 – Weight of materials used.

## RECYCLED MATERIALS AND WASTE

### RECYCLED MATERIALS

Tonnes (estimate)

	Group			Australia			New Zealand			United Kingdom			Asia
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010
Paper collected and recycled	4,502	3,972	4,381	2,424	1,973	1,762	611	718	782	1,463	1,281	1,836	5.5
Other waste recycled	414	276	256	259	170	146	79	12	12	75	94	98	0.1
Total materials recycled/diverted from landfill	4,916	4,248	4,637	2,683	2,143	1,908	690	730	794	1,538	1,375	1,934	5.6

Total materials recycled/diverted from landfill (tonnes) increased by 15.7% in 2010 compared to 2009, primarily as a result of increased levels of paper collection and recycling services provided across Australia.

Total waste to landfill in 2010 decreased by 2.9% compared to 2009, primarily as a result of: (i) the improved quality of data and increased frequency of reporting in New Zealand and (ii) better waste management practices in the UK. The amount of waste sent to landfill in Australia increased partly due to an increase in FTE across the business.

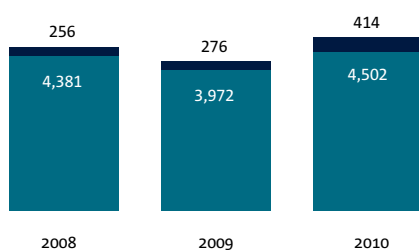
### WASTE TO LANDFILL

(Estimate)

	Group			Australia			New Zealand			United Kingdom		
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008
Total waste to landfill (tonnes)	3,514	3,620	3,637	2,170	1,790	1,839	281	621	620	1,063	1,209	1,178
Total waste to landfill (kg/FTE)	81.2	96.4	93.2	76.7	73.2	73.0	62.2	140.3	137.2	122.9	138.9	126.2

### RECYCLED MATERIALS

Tonnes (estimate)

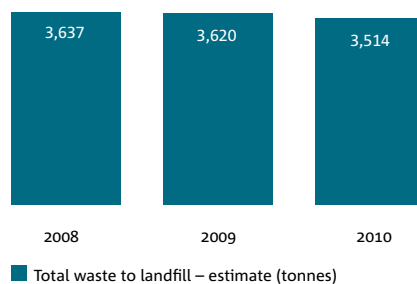


■ Other waste recycled  
■ Office paper collected and recycled

- Other waste recycled includes the following:
  - Australia – printer cartridges, co-mingled recyclables, mobile phones, cardboard and food
  - New Zealand – co-mingled recyclables, cardboard and food
  - UK – co-mingled recyclables, cardboard, computers and metal
  - Asia – printer cartridges.
- GRI reference: EN2 – Materials recycled.

### WASTE TO LANDFILL

Tonnes (estimate)



- In 2010, BNZ made improvements to its method for estimating waste to landfill data. BNZ's waste data is estimated through a conversion of number of bags of waste to tonnage of waste. Data is now calculated on the basis of waste bags used during the year as opposed to the number of waste bags purchased. This change highlighted a significant overestimation of waste in previous years. The method uses actual waste data from more than 80% of sites within the New Zealand building portfolio.
- Improvements were also made to the estimation of Australian waste to landfill data as the sample of buildings used to extrapolate waste data for the total building portfolio was increased from 240 sites in 2009 to 343 sites in 2010.
- GHG emissions resulting from waste to landfill are reported as part of our carbon inventory in the table Gross GHG emissions by emission source.
- GRI reference: EN22 – Waste disposal.



## TRANSPORT AND TRAVEL

### TRANSPORT AND TRAVEL DATA

	Group			Australia			New Zealand			United Kingdom			United States		Asia
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2010
No. of work-use vehicles	1,633	1,642	1,636	931	888	864	507	539	542	177	195	230	17	20	1
Total travel – work-use vehicles ('000 kms)	39,743	40,327	43,285	22,441	22,266	24,379	13,797	14,548	14,630	3,180	3,274	4,276	292	240	33
Total air travel ('000 pkms)	145,159	119,589	146,333	110,493	91,874	111,206	13,974	11,979	15,116	13,473	14,732	20,010	3,378	1,003	3,842
Hotel stays (nights)	81,673	54,638	66,442	52,720	28,809	36,156	10,098	7,496	7,803	14,010	16,625	22,483	3,185	1,708	1,660

Group travel increased by 49% for hotel stays (nights) and 21% for total air travel ('000 pkms) compared to 2009. The key reasons for this increase included: (i) increased business activity in both Australia and the US and (ii) additional improvements in data capture as a result of enforced travel policy and subsequent use of preferred travel service providers across all regions.

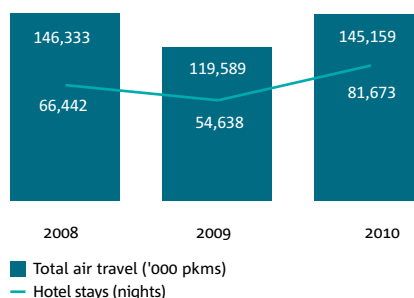
The UK business noted a reduction in air travel of 9% compared to 2009, largely attributable to the regular monitoring and reporting of air travel targets at a regional leadership level.

Vehicle fleet statistics indicate a small (1%) Group-wide reduction in fleet size compared to 2009, driven by changes in New Zealand and the UK. The downward trend is as a result of the fleet size reduction of 6% and 9% in New Zealand and the UK, respectively, over the past 12 months.

Our Australian business has continued its travel reduction program and has made further progress towards a more sustainable vehicle fleet. At the end of September 2010, when we achieved our carbon neutral commitment, there were around 300 hybrid vehicles in the car fleet (30% of our work-required vehicle fleet). This change in vehicles, combined with our downsizing of vehicles from 6 to 4 cylinders, has led to increased efficiency of our vehicle fleet. In 2010, our Australian fleet used 2.3 kL of petrol per vehicle per annum, compared to 2.4 in 2009. Diesel efficiency improved from 2.9 kL per vehicle per annum in 2009 to 2.7 in 2010. A similar strategy to transition to smaller and more efficient vehicles is also being implemented in New Zealand and the UK.

### AIR TRAVEL AND HOTEL STAYS

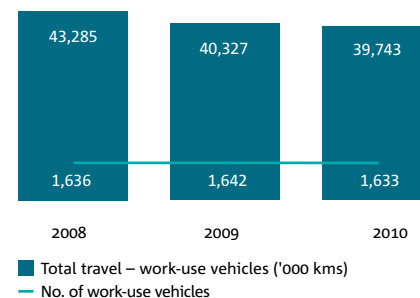
pkms and nights



- GRI reference: EN29 – Environmental impact of logistics.

### WORK-USE VEHICLES

kms and number of vehicles



- GRI reference: EN29 – Environmental impact of logistics.

## WATER CONSUMPTION AND TRADE EFFLUENT DISCHARGE

### WATER CONSUMPTION AND TRADE EFFLUENT DISCHARGE

kL (estimate)

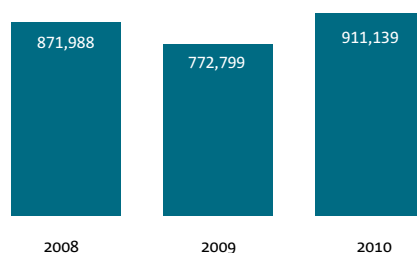
	Group			Australia			New Zealand			United Kingdom			United States
	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010	2009	2008	2010
Water consumption	<b>911,139</b>	772,799	871,988	<b>630,140</b>	569,527	681,461	<b>111,767</b>	105,841	110,297	<b>104,996</b>	97,431	80,230	<b>64,235</b>
Trade effluent discharge	<b>332</b>	239	188	<b>332</b>	239	188	<b>NR</b>	NR	NR	<b>NR</b>	NR	NR	<b>NR</b>

The Group's water consumption estimate increased by 18% compared to 2009 as a result of improved data quality, particularly in Australia. The 2010 estimate incorporated billed water consumption data from an additional 153 sites across the Australian building portfolio.

The increase in trade effluent discharge in Australia in 2010 of 39% compared to 2009 was a result of three additional cooling towers being installed at our main data centre as part of our tri-generation project, through which our Australian business has delivered GHG emissions reductions equivalent to around 19,000 tCO<sub>2</sub>-e per annum.

### WATER CONSUMPTION

kL (estimate)



■ Water consumption estimate (kL)

- 'NR' means not reported. Data unavailable in the reporting period.
- Access to reliable water data is an issue and we will continue to work with our suppliers, including landlords, to improve our access to actual site-based water consumption. Water data is often not available as it is covered by a general charge in rental outgoings.
- GRI reference:  
EN8 – Water consumption.  
EN21 – Water discharge.

## ASSURANCE STATEMENT

### ERM Independent Assurance Report to National Australia Bank Limited: Summary for the 2010 Annual Review and *Dig Deeper* papers.

Environmental Resources Management Australia Pty Limited (ERM) was engaged by National Australia Bank Limited (NAB) to provide independent limited assurance of its 2010 Annual Review and *Dig Deeper* papers to the scope of work outlined in ERM's Independent Full Assurance Report (see link provided below), which for Environment data relates to 1 July 2009 to 30 June 2010.

<http://annualreports.nabgroup.com/assurance.html> for details of ERM's scope of work, experience, independence and key findings.

### Conclusion

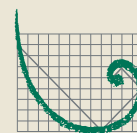
ERM concludes that, based on the scope of work and related limitations, for the specified subject matter, NAB's 2010 Annual Review and *Dig Deeper* papers:

- Provide a balanced representation of the material issues concerning NAB's CR performance
- Report accurate CR metrics, based on the limitations outlined above and the representative sampling of a limited dataset
- Incorporate correctly transcribed greenhouse gas and energy data that has been subject to assurance by a third party

for the 12 months to 30 September 2010. In addition, ERM provides a more detailed Management Report to NAB.

Environmental Resources Management Australia Pty Limited (ERM),  
9 November 2010, Melbourne, Australia

Please follow this link (<http://annualreports.nabgroup.com/assurance.html>) for ERM's Disclaimer Statement that applies to this *ERM Independent Assurance Summary Report*.



ERM

KPMG conducted reasonable assurance over our National *Greenhouse and Energy Reporting Act* (NGER) submission and limited assurance over specified greenhouse gas emissions and offset data for the purpose of NAB assessing its carbon neutrality – please refer to our Group website for further information and copies of KPMG's audit opinions at: <http://www.nabgroup.com.au/0,,102049,00.html>.