



Carbon inventory for operational emissions

Emissions sources included in the Group's 2023 Carbon inventory for operational emissions are as follows:

Scope	GHG protocol category	Emission Source	Australia	New Zealand	Asia	United Kingdom	Europe	United States
1	Stationary combustion	Stationary energy – diesel	✓	✓				
		Stationary energy – gas	✓	✓		✓		
	Fugitive emissions	Building-based refrigerants – in HVAC and refrigerators	✓	✓	✓	✓		✓
		Business travel - work use vehicle fleet (air conditioning refrigerant)	✓	✓				
	Mobile combustion	Business travel - work use vehicle fleet (fuel consumption emission)	✓	✓				
2	Purchased energy	Stationary energy – electricity	✓	✓	✓	✓	✓	✓
3	Purchased goods and services	A3 and A4 paper purchased for office use	✓	✓	✓	✓	✓	✓
		Customer statements purchased paper		✓				
		Courier, freight and postage ¹	✓	✓				

¹ Courier, freight and postage services have been included under Purchased goods and services, not under the categories of Upstream transportation and distribution and Downstream transportation and distribution.

Scope	GHG protocol category	Emission Source	Australia	New Zealand	Asia	United Kingdom	Europe	United States
		Water	✓	✓	✓	✓	✓	
	Fuel- and Energy-related activities	Stationary energy – Transmission and distribution losses / Well-to-tank – electricity ²	✓	✓	✓	✓	✓	✓
Stationary energy – Transmission and distribution losses / Well-to-tank – diesel		✓	✓					
Stationary energy – Transmission and distribution losses / Well-to-tank – gas		✓	✓		✓			
	Waste generated in operations	Waste – Landfill	✓	✓	✓		✓	✓
Waste – Compost			✓					
Waste – Incineration					✓	✓		
Wastewater			✓					
Materials recycled			✓					
	Business travel	Business travel - air	✓	✓	✓	✓	✓	✓
Business travel - employee claims for use of personal vehicles for work purposes		✓	✓					
Business travel - hotel stays		✓	✓	✓	✓	✓	✓	
Business travel - rail				✓	✓	✓	✓	
Business travel - rental cars		✓	✓	✓		✓		
Business travel - taxi use		✓	✓	✓	✓	✓	✓	

² Includes offsite electricity for New Zealand and the United Kingdom.

Scope	GHG protocol category	Emission Source	Australia	New Zealand	Asia	United Kingdom	Europe	United States
		Business travel - work use vehicle fleet (electricity)		✓				
		Business travel - work use vehicle fleet (Transmission and distribution losses / Well-to-tank)	✓	✓				
	Employee commuting	Working from home	✓	✓	✓	✓	✓	✓
	Upstream leased assets	Base-building / Offsite energy use – electricity not under NAB's operational control	✓	✓				
		Base-building / Offsite energy use – gas not under NAB's operational control	✓					
		Base-building / Offsite energy use – Transmission and distribution losses / Well-to-tank – electricity not under NAB's operational control	✓	✓				
		Base-building / Offsite energy use – Transmission and distribution losses / Well-to-tank – gas not under NAB's operational control	✓					

The below emission sources have been excluded from the Group's 2023 Carbon inventory for operational emissions as they are either not applicable to the Group's business model or have not passed two or more criteria of the relevance test as outlined in the table below. Scope 3 'financed emissions' are outside NAB's operational emissions boundary and are not included in NAB's carbon neutrality claims. However, NAB separately reports financed emissions attributable to its lending in ten emissions-intensive sectors associated with its goal to align with pathways to net zero by 2050 and its NZBA membership. Detail on this approach is available in Sector decarbonisation on page 29.

Emission sources tested for relevance ³	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary
Purchased goods and services	No	No	No	No	No	Yes
<p>NAB has answered 'Yes' to this emissions category based on inclusion of the following sub-categories in our operational emissions boundary; <i>A3, A4 and A5 paper purchased, customer statement purchased paper, courier, freight, and postage</i>. We have disclosed the 'Purchased goods and services' category as part of this exclusions table as there are two sub-categories, <i>Food and catering and Cleaning services</i>, that NAB test for relevance. <i>Food and catering and Cleaning services</i> are excluded from NAB's operational emissions boundary as both are assessed as not relevant. Both <i>Food and catering and Cleaning services</i> are not large emission sources relative to NAB's total emissions, do not contribute to significant GHG risk exposure, are not deemed relevant by key stakeholders, and are not activities NAB has previously undertaken within its boundary. The potential to influence the reduction of carbon emissions is limited to on-site food catering only.</p>						
Capital goods	No	No	No	No	No	No
<p>NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.</p>						
Upstream transportation and distribution ⁴	No	No	No	No	No	No
<p>Due to the intangible nature of financial products and services we do not require upstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.</p>						
Employee commuting	Yes	No	No	No	No	No
<p>The 'Employee commuting' category refers to emissions associated with employees travelling to and from their place of work and emissions associated with colleagues working from home. Emissions associated with colleagues working from home are included in the Group's emissions boundary, but emissions associated with employee commuting are excluded from the Group's emissions boundary. For employee commuting in environmental year 2023, NAB assessed 'Size' as the only criteria to be passed under the relevance test. NAB's influence on its employees' commuting decisions is limited but changing, as hybrid working behaviours and expectations are developed and embedded. NAB offers end-of-trip facilities at many of its locations, though this intervention does not materially influence emissions reduction associated with employee commuting. NAB intends to further engage with stakeholders directly on this emissions source in 2024. While NAB has estimated emissions associated with employee commuting in 2023, its ability to accurately measure this source is limited. NAB is currently compiling data and developing its methodology to improve data quality. BNZ has commenced</p>						

³ The relevance test applied by the Group is adapted from the GHG Protocol – Corporate Standard (WBCSD and WRI, 2004). An emissions category is considered relevant if it meets two or more of the five relevance criteria, as outlined in the table above.

⁴ Courier, freight and postage services have been included under Purchased goods and services.

Emission sources tested for relevance ³	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary
quantifying and disclosing emissions associated with employee commuting as part of its emissions boundary for Toitū net carbonzero certification. Offsetting requirement under the Toitū programme is for a minimum inventory which does not include employee commuting.						
Downstream transportation and distribution ⁵	No	No	No	No	No	No
Due to the intangible nature of financial products and services we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.						
Processing of sold products	No	No	No	No	No	No
Due to the intangible nature of financial products and services we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.						
Use of sold products	No	No	No	No	No	No
NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.						
End-of-life treatment of sold products	No	No	No	No	No	No
NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.						
Downstream leased assets	No	No	No	No	No	No
NAB has an immaterial number of downstream leased assets in the form of a small number of buildings that are owned and leased to tenants. The tenancy agreements for these assets give the tenant operational control of the energy use of the asset and the tenant pays the energy bills. Emissions from downstream leased assets are not large relative to NAB's total emissions, do not contribute to significant GHG risk exposure, are not deemed relevant by key stakeholders, and are not activities NAB has previously undertaken within its boundary. NAB has limited ability to influence emissions from this source.						
Accordingly, for the purposes of our carbon inventory the GHG emissions from these downstream assets are not considered relevant.						
Franchises	No	No	No	No	No	No
NAB Group does not have franchises, therefore this emissions source is not relevant.						

⁵ Courier, freight and postage services have been included under Purchased goods and services.