



Carbon Neutral: opportunities and challenges

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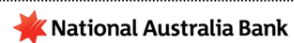
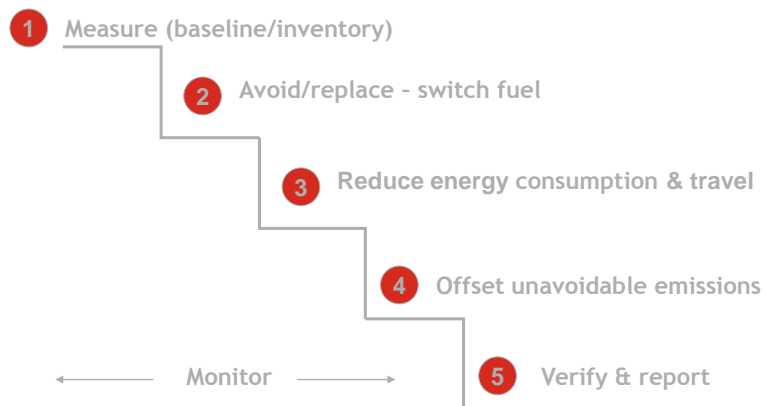
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Carbon neutral – what are we talking about?



Inclusion principles

- Scope 1 - Direct emissions
- Scope 2 - Indirect emissions
- Scope 3 - Test for ...relevance, completeness, consistency, transparency & accuracy
- Polluter should pay (internally and externally) - our role is influence
- Materiality test
- Accuracy to reflect materiality
- Ability to reduce
- Access to data



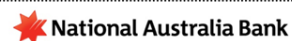
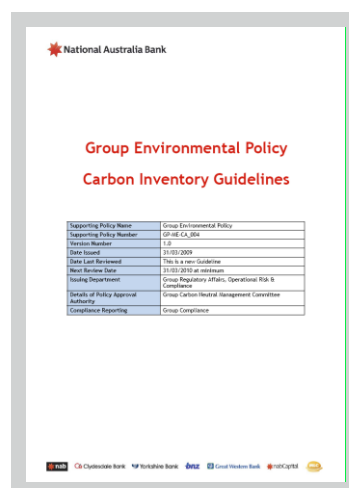
“To fully capitalize on the potential of clean energy requires legislation ‘that puts a price on carbon and makes clean energy the profitable kind of energy’.”

US Energy Secretary Steven Chu



Measure and define the boundaries

- Manage what you measure
- Start with the material emissions sources
- Define the boundary
 - Global stakeholder engagement
 - Document in guidelines
- Align to recognised standards
 - NCOS
 - GHG Protocol
- Regional government/industry best practice



Switch and reduce

Switch

- 10% Green Power
- Tri-generation

Reduce

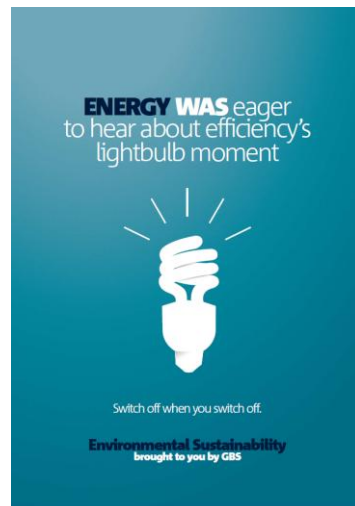
- ESD in the building portfolio
- Video conferencing
- Down sizing and hybrids in the car fleet
- Behaviour change




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Benefits & opportunities

- Driving cost and waste out of the business by:
 - placing priority on energy efficiency
 - Monitoring our performance and improving data quality
- Having an internal cost of carbon – change investment decisions and behaviour
- Engagement with employees, government, customers, NGOs, and other stakeholders




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Challenges

- Lack of general understanding about carbon neutrality
- Lack of precedent – NAB likely to be the first large Australian corporate to be carbon neutral
- No 'off the shelf' guidance – we had to develop policy with stakeholder engagement
- Difference in approaches between jurisdictions
- Absence of simple calculation methodologies and emissions factors




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NAB's Offset Acquisition Process

- Access market
- Short list projects
- Score and rank projects
- NAB due diligence
- Committee Approval



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Key Challenges in Establishing an Offset Process

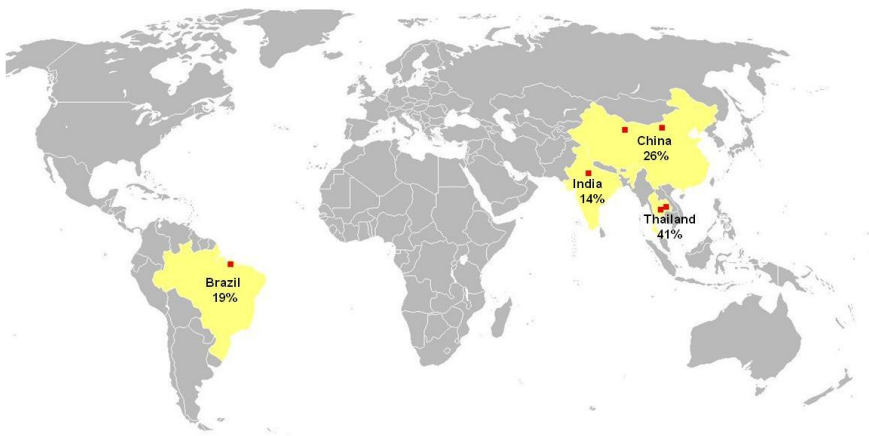
What does *Preferred Portfolio* mean?


- Variety of opinions on desired offset characteristics
 - Defining “core” characteristics
 - Defining “non-core” characteristics
- Weighted scorecard to capture different voices
- Establish Portfolio Parameters
 - No more than 30% in one project
 - No more than 30% in one project type



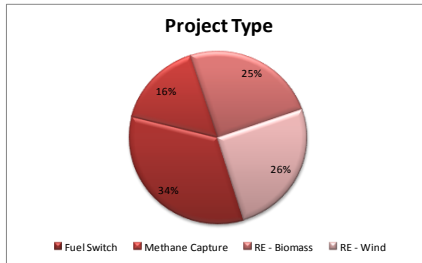
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What has NAB done to date?

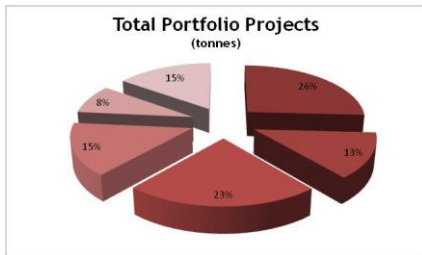


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What has NAB done to date?



- 120,000t
- Vintages
 - 2006 – 2010
- Standards
 - VCS & Gold Standard




- Project types
 - 2 wind farms
 - a rice husk power plant
 - 2 fuel switch
 - a biogas utilisation

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The Childcare Centre




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The IT Rooms at the Schools


Access for students and local community



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The Schools



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Clean Water for the School and the Community




roughly 1/3rd of Thailand's surface water bodies are considered to be of poor qualityof particular concern is water scarcity, which occurs against a backdrop of low availability, high pollution, and increasing per capita consumption World Bank, 2006

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The next chapter

- Continue our in house abatement activities
- Further build our offset expertise
- Develop a more sophisticated portfolio
- Obtain NCOS accreditation



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