



Nedbank Sustainable Finance Use of Proceeds Fundraising Framework

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GROUP

Contents

1. Introduction	3
1.1 Purpose of the framework	3
1.2 About Nedbank	3
1.3 Purpose-led value creation	3
1.4 Nedbank's social and environmental management policies and system	5
2. Application of the Nedbank Sustainable Finance Use of Proceeds Fundraising Framework	6
2.1 Background	6
2.2 Intended application of the framework	6
3. The Sustainable Finance Use of Proceeds Fundraising Framework	6
3.1 Scope	6
3.2 Use of proceeds	6
3.3 Process for project evaluation and selection	16
3.4 Management of proceeds	17
3.5 Reporting	17
4. External verification	18
4.1 Pre-issuance external review	18
4.2 Post-issuance external review	18
5. Disclaimer	18

1. Introduction

1.1 Purpose of the framework

The purpose of this framework is to outline criteria in terms of which Nedbank Group Limited and Nedbank Limited (referred to as **Nedbank Group** or **Nedbank**, respectively, or collectively as the **group (we, us or our)** intend to issue use-of-proceeds sustainable finance liability instruments such as green, social, and sustainability bonds and loans (**sustainable instruments**).

The proceeds of sustainable instruments will be used to finance or refinance assets, initiatives, and project financing or investments that contribute to achieving specific objectives aligned with Nedbank's purpose and vision of using its financial expertise to do good for individuals, families, businesses and society and, in turn, are congruent with the United Nations Sustainable Development Goals (**SDGs**).

The framework is aligned with international best practice and guidance published by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA) and the Asia Pacific Loan Market Association (APLMA), including the following:

- ICMA Green Bond Principles (GBP) 2021;
- ICMA Social Bond Principles (SBP) 2021;
- ICMA Sustainability Bond Guidelines (SBG) 2021;
- LMA Green Loan Principles (GLP) 2023; and
- LMA Social Loan Principles (SLP) 2023.

This Framework will apply prospectively to new sustainable finance use of proceeds fundraising activities entered into and/or issued from date of publication of the Framework.

1.2 About Nedbank

Nedbank Group is one of the four largest banking groups in South Africa, tracing its routes back to 1831 and the establishment of the Cape of Good Hope Savings Bank. Nedbank Group owns all the ordinary shares of Nedbank and is the holding company of the overall group. The group is engaged in a wide spectrum of banking and financial services through its Corporate and Investment Banking (CIB), Retail and Business Banking (RBB), Wealth Management and Nedbank Africa Regions (NAR) business. Outside of South Africa, Nedbank Group has subsidiaries in Lesotho, Namibia, Eswatini (formerly Swaziland), Zimbabwe, Mozambique, and a representative office in Kenya, as well as a 21% shareholding in Ecobank Transnational Incorporated (ETI). Nedbank Group has a far-reaching presence across Africa, with the Ecobank–Nedbank alliance providing it with a footprint in 39 countries, thereby creating the largest banking network in Africa. While Nedbank's primary market is the African continent, it provides services to international clients through its presence in the Isle of Man, Jersey, the United Kingdom and the United Arab Emirates. The group has established a vast footprint through its 617 branches and outlets in South Africa and the rest of Africa. Nedbank Group is listed on the Johannesburg Stock Exchange (JSE), A2X Markets and the Namibian Stock Exchange.

The group has an excellent track record and strong sustainability credentials, reflected in its environmental, social and governance (ESG) ratings that are within the top tier scores across major ESG rating agencies, including MSCI ESG, Sustainalytics, and ISS ESG. The group's sustainability journey continues to expand and mature: In 2005 it was the first African bank to sign the Equator Principles; in 2010 it was the first African bank to become carbon-neutral; in 2019 it was the first commercial bank to launch a renewable-energy bond on the JSE; and in 2021 it was the first banking group in Africa to raise green additional tier 1 funding. Its leadership position is supported by its purpose – to use its financial expertise to do good – and using the SDGs as the guide for financing activities and meeting clients' needs have contributed to a significant track record and global and local recognition in the sustainability space.

1.3 Purpose-led value creation

We are aware that, alongside our stakeholders, we operate in a nested, interdependent system. This means that we require a well-functioning society, a thriving economy and a healthy environment to succeed. Sustainability issues, such as climate change and socioeconomic factors, are playing an increasingly material role in shaping this system. Therefore, the group has been integrating sustainability across the full breadth of its business activities.

The group recognises that there could be no authentic response to sustainability matters without the genuine ambition of being an effective catalytic agent for positive change. This entails that we live out our purpose of using our financial expertise to do good for our stakeholders by following the guidance of the SDGs when investing in new markets and meeting client needs. We recognise that the most effective way of doing this is through pursuing financing activities that deliver positive environmental and social outcomes that help address relevant SDG targets. In particular, we have identified nine priority SDGs through which we can make an impact through our corporate social investment, operations, and mainstream financing activities.

Priority SDGs for sustainable-development finance

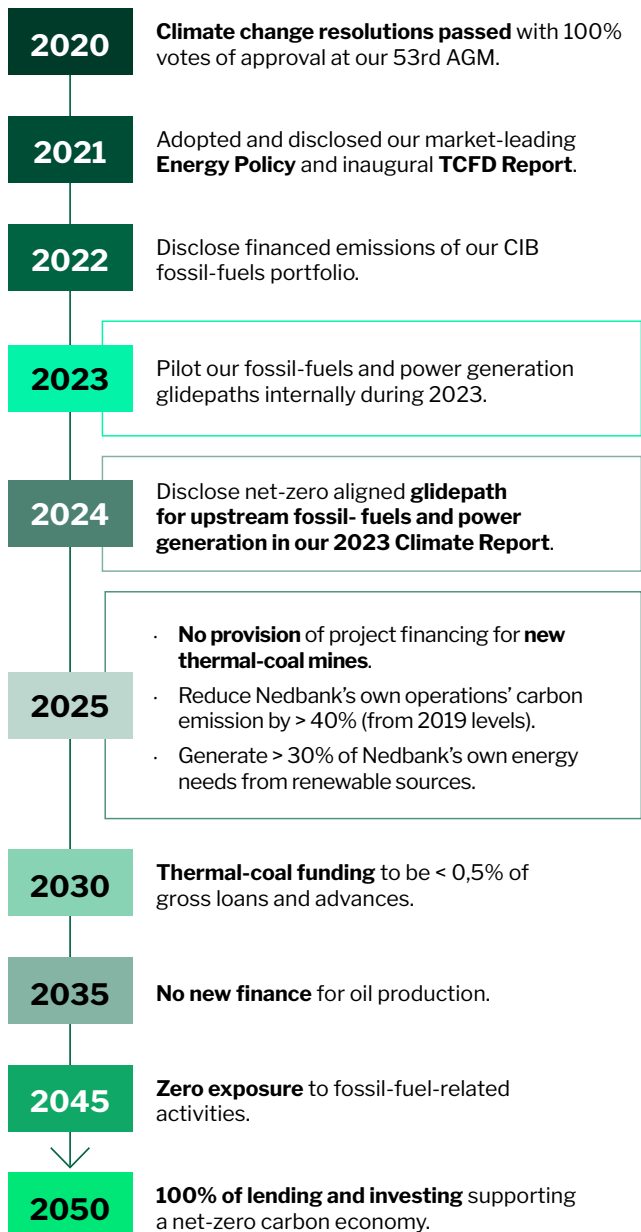
- 4 Quality education
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 10 Reduced inequalities
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 15 Life on land



1.3.1 Nedbank targets and commitments

In addition to focusing on financing activities that seek to advance these SDGs, climate change, which is addressed by SDG 13 (limit and adapt to climate change), is one of the biggest challenges and risks, both globally and locally. Therefore, it is also a key focus area for us. An effective response, which also has to assist reducing risks over longer periods, requires applying financial resources appropriately and innovatively. In line with this thinking, the group consistently allocates, invests, and funds with sustainable-development and climate-related objectives in mind in a way that is aligned with our clients' needs and the extent of strategic opportunities. In particular, Nedbank has made a commitment to support a net-zero economy by 2050. The project milestones are set out in the diagram below.

Nedbank's journey to supporting a net-zero economy by 2050



Furthermore, the group will continue to address sustainable-development objectives and climate change by focusing on the areas as set out below.



Being the impact — embedding the climate imperative into our culture and decision-making.



Managing our operations — minimising negative impacts and optimising positive operational impacts.



Supporting our clients' transition — providing advisory services and SDF offerings aligned with the SDGs.



Tilting our book — leading the transition by reducing our fossil fuel exposure.



Managing climate risks — integrating climate-related risks into our risk management frameworks.

Being the impact

• Climate training

We provided basic climate training to 17 603 of our employees and secured training for key client-facing and risk employees through the International Finance Corporation (IFC).

• Sustainable Finance Solutions

In 2020, Nedbank established a dedicated Sustainable Finance Solutions division within CIB, focused solely on developing sustainable finance products and solutions for its clients and the wider investor community. The team collaborates with sector finance teams and capital market and relationship teams, and works with clients to structure and finance innovative value-adding transactions that help create positive social and environmental value. The Sustainable Finance Solutions division has been scaled and continues to receive the appropriate focus.

Managing our operations

Our operations have been carbon-neutral for the last 12 years. We have also set further internal reduction targets, which we are on track to meet. The group will continue leveraging its resources to ensure that its operations are aligned with its goal to have zero exposure to fossil-fuel-related activity by 2045.

Supporting our clients' transition

As Nedbank has positioned itself as a leader in the initial rounds of the Renewable-energy Independent Power Producer Procurement Programme (REIPPPP), as initiated by the South African Department of Mineral Resources and Energy, a significant portion of the lending book is committed to renewable-energy initiatives. We plan to continue to support the REIPPPP and assist commercial and industrial power generation across sectors.

Tilting our book

We are committed to transitioning our lending book away from fossil fuels. Nedbank was one of the first banks to commit to ceasing financing new coal-fired power plants. We reinforced this commitment with our Thermal Coal Policy in 2019, which sets out our reduction in coal financing. In 2021 Nedbank adopted its landmark Energy Policy, which serves to guide the transition away from fossil fuels, while accelerating efforts to finance non-fossil energy solutions needed to support socioeconomic development and build resilience to climate change. This include measures relating to renewable energy, energy efficiency, energy storage, electrification of high-emitting sectors, and other emerging technologies, such as hydrogen, if appropriate. The Energy Policy dovetails with and gives expression to the Nedbank Climate Change Position Statement, which outlines the commitment of the bank to aligning its business strategy, policies, mandates, and incentives with the Paris Agreement over time.

Nedbank has also set itself the target of increasing sustainable-development finance (SDF) exposures to around 20% of the group's total gross loans and advances (GLAA) by the end of 2025, supported by more than R150bn in new SDF that is aligned with the SDGs. (For 2022 it was 14%.) This requires Nedbank to grow its allocation of financial capital to support the delivery of its nine priority SDGs and expand its financing for transactions that qualify for sustainable finance.

1.4 Nedbank's social and environmental management policies and system

Nedbank Group has well-developed social and environmental management policies and systems in place to assist with analysing, evaluating, and monitoring social and environmental risks. In particular, Nedbank has a well-established Social and Environmental Management System (SEMS) that enables the review and analysis of social and environmental risks during the lifecycle of its lending transactions for sensitive industries.

Sensitive industries that trigger a need for a SEMS assessment are captured in the table below.

High-impact sector	Areas of high impact may include:
Mining and resources	Any operation involved in the mining of minerals, mining of tailings or processing of mine waste, extraction of sand and stone from land, dunes or riverbeds, may impact water availability and water quality or activity that constitutes beneficiation of minerals.

High-impact sector	Areas of high impact may include:
Chemicals and oil (including refineries) or waste	Any operation involved in the manufacturing, storage, transportation or recycling of chemicals or oils. For waste, the collection, storage, reuse or recycling of general or hazardous waste, treatment facilities and effluent management. For petrol stations includes the certification of site, licence to trade in petroleum or gas products, maintenance of underground tanks, spills management programmes. This category also includes the transportation of hazardous substances such as oil and gas.
Manufacturing	Manufacturing of products where the process of manufacturing, or the material used, could cause serious environmental damage.
Agriculture	Operations that may have a serious impact on the environment and society, including storage of pesticides and herbicides, management of waste such as carcasses and other volatile organic compounds.
Energy	Any participation in the energy sector including nuclear, hydroelectric and renewable energy.
Property	Participation in deals with property developers.
Construction companies	Companies whose primary or core business is construction of infrastructure.

Nedbank's Credit Committee considers the findings of the SEMS environmental and social risk evaluation in deciding whether to support or decline a transaction.

Within CIB, SEMS transaction vetting includes providing recommendations regarding contractual terms, warranties, undertakings and/or 'conditions precedent' relating to environmental and social issues. Afterwards, from financial close, the Nedbank Transaction Management team monitors the transaction to ensure compliance with the contractually agreed environmental and social terms. Before the initial drawdown on a transaction, Transaction Management forwards all required environmental and social documents for review to the environmental and social compliance manager for sign-off. If a transaction does not comply with the environmental and social contractual terms, before or after the initial drawdown, the SEMS team works with the client to restore compliance.

Nedbank is also an Equator Principle Financing Institution. The Equator Principles, a globally recognised benchmark, are used by many financial institutions to manage environmental and social risks that may emanate from large infrastructure, resources, and industrial transactions. SEMS applies these principles where relevant.

2. Application of the Nedbank Sustainable Finance Use of Proceeds Fundraising Framework

2.1 Background

This Framework is an update to Nedbank's previous SDG Issuance Framework (published in 2019), and is a consistent, tangible step in the Group's purpose-led sustainability journey and effort to integrate environmental, social and governance initiatives into its mainstream financing activities.

The Framework will apply prospectively to new use of proceeds fundraising activity undertaken by Nedbank from date of publication of this Framework.

2.2 Intended application of the framework

The Framework serves as the foundation under which Nedbank and Nedbank Group can enter into, execute, and where applicable, list green, social, and sustainability use-of-proceeds financing in various formats such as bonds and loans, and currencies and allows the alignment of funding instruments

with the Group's material sustainability objectives, related investments and targets.

We believe that incorporating sustainability ambitions into our funding plans, and reinforcing these plans through engagement with investors and other stakeholders, demonstrate our journey and commitment to our sustainability ambitions.

The instruments launched under this framework offer investors a unique opportunity to participate in investments with positive environmental and/or social impact that will contribute towards meeting the SDG targets in countries where Nedbank operates.

Nedbank Group Limited and Nedbank Limited each have a Domestic Medium Term Note Programme (DMTN) listed on the Johannesburg Stock Exchange (JSE). As such, both entities may utilise this Framework, in accordance with the DMTN programme and applicable listing requirements, to issue green, social, and sustainability use-of-proceeds bonds.

3. The Sustainable Finance Use of Proceeds Fundraising Framework

3.1 Scope

Sustainable finance instruments issued under this framework align with the core components of the GBP, SBP, SBG, as well as the GLP and SLP.

Accordingly, this framework describes the following four core pillars of use-of-proceeds instruments, set out below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

The GBP, SBP, SBG, GLP and SLP are a set of voluntary process guidelines that recommend transparency and disclosure as well as promote integrity in the development of the sustainable finance market. These guidelines are internationally accepted by issuers and borrowers as well as investors and lenders, and provide a consensual framework for issuing use-of-proceeds instruments. However, as the sustainable finance market develops and evolves, these principles may be subject to change. Therefore, the group will regularly review and update the framework in line with market developments where appropriate and practical.

The group has also adopted the guiding principles and reporting requirements of the UN SDG framework and ICMA's *Mapping of SDGs to Green, Social and Sustainability Bonds (2020)*. These form the foundation on which the group aligns its use-of-proceeds eligibility criteria with the SDGs.

3.2 Use of proceeds

The use of proceeds is key in classifying an instrument as either green, social and/or sustainability (collectively referred to as sustainable instruments). The net proceeds, or an amount equal to the net proceeds of the sustainable instruments issued under this framework, will be used to finance and/or refinance, in whole or in part, a portfolio of eligible assets or expenditure that aligns with the green and/or social eligible assets set out in the tables below.

The proceeds of issuance under this framework will be used to finance and/or refinance either:

- Loans to retail clients, businesses, corporates, and projects (**loan assets**); or
- Nedbank's own operating and/or capital expenditures (**Nedbank expenditures**) (collectively referred to as **eligible assets**).

The group is committed to ensuring that appropriate due diligence is performed for each eligible asset or expenditure to ensure compliance with internal standards, including Nedbank's SEMS and applicable risk policies, prior to allocating funding.

The green and/or social eligible assets in the table below is the measure by which the group classifies sustainable instruments. However, where applicable, we may supplement the eligible assets with credible Nedbank-developed criteria or other market-accepted taxonomies, standards or guidelines, including the South African Green Finance Taxonomy. In these cases, details of the supplementary taxonomy, standard or guideline will be captured in the applicable product documents.

3.2.1 Green eligible assets and financing activities

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Renewable energy		
<ul style="list-style-type: none"> • The construction, generation, transmission or maintenance of renewable energy and associated infrastructure, including: <ul style="list-style-type: none"> – Solar PV; – Wind; – Tidal; – Hydropower; and – Geothermal with direct emissions below 100gCO₂/kWh. – Green hydrogen projects; and – Schemes for renewable heat use and energy storage, including heat networks, heat pumps and hydrogen heating. – Specific exclusions: <ul style="list-style-type: none"> □ Hydropower projects for which estimated reservoir emissions intensity is >100gCO₂/kWh or power density <5W/m²; □ Geothermal projects with emission intensity over 100g CO₂/kWh; and □ Hydrogen production through steam reforming processes using natural gas/oil or coal (grey/black hydrogen). Any hydropower project will need to conduct an environmental and social risk assessment. • The manufacture or import of components of renewable energy technology, including but not limited to wind turbines, solar panels, inverters and storage batteries; • The manufacturing and supply chain/ distribution solely dedicated to renewable energy equipment and components; and • Construction, maintenance or expansion of transmission infrastructure and distribution networks: <ul style="list-style-type: none"> – Grid expansion that promotes, integrates and/or connects renewable energy into the transmission networks; – Micro-grid infrastructure that promotes, integrates and/or connects renewable energy into the transmission networks; – Infrastructure directly connecting renewable energy or integrating renewable energy into existing transmission networks; and – Other related and supporting expenditure such as research and development. 		<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.</p>
		<p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.</p>
		<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>
		<p>11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.</p>
		<p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p>

3.2.1 Green eligible assets and financing activities (continued)

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Energy efficiency		
<ul style="list-style-type: none"> The manufacture, installation, upgrade or retrofit of components or technologies that enable energy efficiencies, including the following: <ul style="list-style-type: none"> Refurbishment of residential or commercial buildings that increase energy efficiency by at least 20%; Replacement or upgrade of lighting, appliances, production machinery, industrial processes or products to increase energy efficiency by at least 20%; Replacement or upgrade of non-fossil fuels shipping infrastructure to increase energy efficiency by at least 20%; Fuel-switching investments to avoid or reduce the use of fossil fuels such as coal, oil, kerosene and diesel; Other measures dedicated to improving the efficient use of energy and preventing system losses, such as smart-grid technologies; Energy-efficient data centres and equipment. Energy storage, district heating, smart grids, appliances and products; and Other related and supporting expenditure such as research and development. 	7 AFFORDABLE AND CLEAN ENERGY 	7.3 By 2030, double the global rate of improvement in energy efficiency. 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
	8 DECENT WORK AND ECONOMIC GROW 	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Green buildings		
<ul style="list-style-type: none"> Certified greenfield projects, or the construction, reconstruction, retrofitting, renovation and/or operation of buildings to make them sustainable, improve resource efficiency and adopt environmentally sound technologies: <ul style="list-style-type: none"> Commercial or residential buildings that meet regional, national or internationally recognised standards or certification: Minimum Green Star 4 category, Energy Water Performance (EWP) Level 6, Leadership in Energy and Environment Design “Gold” Certification, International Finance Corporation’s Excellence in Design for Greater Efficiencies (EDGE) certification or the building must achieve equal to or more than 20% emissions/ energy performance improvements (or primary energy demand) over baseline (baseline can be building codes such as ASHRAE 90.1 2010, SANS 10400-XA building energy efficiency code or XA building energy efficiency code, or more recent); Replacement of existing heating/cooling systems in buildings with more efficient, non-fossil fuel powered systems, or installation of new cogeneration/trigeneration/combined heat and power plants that generate electricity in addition to providing heating/cooling; Waste heat recovery improvements; and Other related and supporting expenditure such as research and development. 	7 AFFORDABLE AND CLEAN ENERGY 	7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
	11 SUSTAINABLE CITIES AND COMMUNITIES 	11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.

3.2.1 Green eligible assets and financing activities (continued)

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Clean and sustainable transport		
<ul style="list-style-type: none"> The manufacture, retrofit or purchase of low-carbon transportation technology (e.g., electric and hydrogen), including vehicles, buses, tractors, trains and ships; Electric vehicle charging stations and infrastructure for; Clean energy vehicles and reduction of harmful; Rail transportation projects for public use; Train infrastructure upgrades; Schemes and incentives to support the purchase of zero-emission transportation, walking, cycling, and expenditures for related infrastructure; Mass transit infrastructure, including fossil-fuel-related projects with less than 50g CO₂ per passenger km and freight and water projects with less than 25g CO₂ per tonne-km; and Other related and supporting expenditure such as research and development. <p>Exclusions:</p> <ul style="list-style-type: none"> Fossil-fuel-based transportation, supporting infrastructure and transportation dedicated to fossil fuel transport that does not meet the criteria above; and Systems and infrastructure dedicated to the transportation of fossil fuels that does not meet the criteria above. 		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
		11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Pollution prevention and control		
<ul style="list-style-type: none"> Greenfield or reconstruction projects that convert waste to energy (eg converting waste into feedstock that must be separated into recyclable and non-combustible and non-hazardous materials before incineration), capture methane gas, support recycling, and/or reduce the amount; Circular-economy-adapted products, production technologies and processes (such as the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services; and/or certified eco-efficient products); Exclusions: waste-to-energy activities where removal of recyclables prior to incineration cannot be ensured; Replacement of refrigerants with high global warming potential with solutions that lower global warming potential; Reduction of air emissions, greenhouse gas (GHG) control, soil remediation, waste prevention, waste reduction, waste recycling and energy or emission-efficient waste to energy; and Other related and supporting expenditure such as research and development. 		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.
		<p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>




3.2.1 Green eligible assets and financing activities (continued)

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Sustainable water and wastewater management		
<ul style="list-style-type: none"> Activities that expand access to safe and affordable drinking water and adequate sanitation facilities and improve water quality or water use efficiency: <ul style="list-style-type: none"> Construction, maintenance and equipment for water supply and/or treatment infrastructure (ie pipework); Water treatment facilities; Wastewater discharge infrastructure; Water-saving systems and technologies (eg smart meters); Desalination projects; Sustainable urban drainage systems; River training and other forms of flooding mitigation; Removal of invasive species to improve water catchments; and Other related and supporting expenditure, such as research and development. <p>Exclusion: Desalination projects that do not have an environmental risk mitigation strategy to address brine management.</p>		<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p> <p>6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.</p> <p>6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.</p> <p>6.b Support and strengthen the participation of local communities in improving water and sanitation management.</p>
		<p>11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.</p>
		<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>

3.2.1 Green eligible assets and financing activities (continued)




Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Environmentally sustainable management of living natural resources and land use		
<ul style="list-style-type: none"> • Sustainable and climate smart agriculture that entails projects, assets, investments and other related and supporting expenditure such as research and development that demonstrate the following: <ul style="list-style-type: none"> – Reduction in food and/or crop losses of at least 20% (improved storage, cold chain or improved packaging); – Increased crop productivity of at least 20% without increasing GHG emissions; – Reduction of at least 20% of energy use in agricultural traction (low or efficient tillage and other agricultural processes); – Reduction in water consumption of at least 20% per unit of product (by, for example, drip irrigation, less water-intensive crops as well as water harvest and storage facilities); – Improvement in existing carbon pools (by, for example, reduced tillage, no-till farming, use of agricultural waste and rehabilitation of degraded land); – Biological nitrogen fixation – the reduction in (per unit of product) of non-carbon dioxide GHG emissions from agricultural processes (eg, N₂O from fertiliser use); – Soil recovery and restoration of degraded pastureland; – Integrated cropland-livestock-forestry systems; – Improving energy efficiency of aquaculture farming and processing facilities; and – Improving the energy efficiency of irrigation and other agriculture and livestock management processes, as well as tractor or equipment efficiency through fuel switching to low-carbon options. – Sustainable forestry by promoting the following: <ul style="list-style-type: none"> □ Sustainable forest management activities that increase carbon stocks or reduce the impact of forested land; □ Reforestation on previously forested land; and □ Afforestation on non-forested land. 	<div data-bbox="592 349 719 477" style="text-align: center;"> </div> <div data-bbox="592 566 719 694" style="text-align: center;"> </div> <div data-bbox="592 725 719 853" style="text-align: center;"> </div> <div data-bbox="592 1628 719 1756" style="text-align: center;"> </div>	<p>11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.</p> <p>11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p> <p>14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p> <p>14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.</p> <p>14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.</p> <p>14.an Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries.</p> <p>15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products.</p> <p>15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.</p> <p>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.</p> <p>15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.</p>

3.2.1 Green eligible assets and financing activities (continued)

Green bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Climate change adaptation and mitigation		
<ul style="list-style-type: none"> Investments that address physical climate risks, including floods, fires, storms, droughts, plague defence systems and related infrastructure as follows: <ul style="list-style-type: none"> Bulk raw water infrastructure projects that document an improvement in drought resilience; Grey and blue/green infrastructure that improves stormwater run-off; and Non-fossil fuel and/or sustainable land or aerial vehicles used to combat locust plagues such as Unmanned Aerial Vehicles (UAVs) or drones, with specially-designed and calibrated spraying equipment that enables mapping and precision spraying; Investments in technological advancements and research and development that support early-warning systems, such as climate observation or data collection; and Investments in activities, technology and research and developments aimed at reducing sources of GHG or enhancing the 'sinks' that accumulate and store these gases. 		<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning.</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p> <p>13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.</p>

3.2.2 Social eligible assets and financing activities

When categorising social eligible assets, we will consider and specify the target population that will benefit from the financed social project or activity in the relevant issuance documents. This consideration will include the reasons for selecting the target population and mechanisms for addressing the target population through the social project.

Social bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Affordable housing		
<ul style="list-style-type: none"> Projects that involve the construction of or investment in registered or recognised affordable or social housing in the applicable jurisdiction. Financial services offerings and solutions to facilitate home ownership for targeted populations. Investment in improving the quality of existing social and affordable-housing facilities. <p>Target Population: housing in line with Nedbank's indicative internal eligibility thresholds of a minimum gross income of R10 000 per month and a maximum gross income of R29 600 per month. The upper-bound of the threshold of R29 600 is aligned to the South African Financial Sector Code Affordable Housing Standards,</p>	  	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p> <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>

3.2.2 Social eligible assets and financing activities (continued)

Social bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Access to essential services and affordable basic infrastructure		
<ul style="list-style-type: none"> • Construction or maintenance of any greenfield facilities or renovation of existing healthcare and education facilities that would enable efficiency, quality, access and capacity of the facility; • Projects that aims to improve the standards of technology, via the procurement of equipment or development of new facilities within the healthcare sector, which enables efficiency, quality, access and capacity; • Projects that aims to provide access to tertiary education or vocational and technical skills training, as well as access to campus infrastructure, student house or activities which would improve individuals' access to employment/self-employment; • Greenfield facilities or renovation of existing childcare facilities that would improve the efficiency, quality and capacity of the facility; • Project that aims to achieve universal health coverage, including financial risk protection and effective access to safe, effective, quality and affordable essential medicines and vaccines at no cost to the beneficiary; and • Project that aims to support the research and development of vaccines and medicines for communicable and non-communicable diseases that will be provided to the user at no cost. <p>Target Population: General population or targeted towards low income individuals and households as determined by local regulation in the country where the project resides.</p>	<div style="text-align: center;">   </div>	<p>1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p> <p>3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.</p> <p>3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.</p> <p>3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.</p> <p>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.</p> <p>3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.</p> <p>3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.</p> <p>3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p>3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.</p> <p>3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.</p>

3.2.2 Social eligible assets and financing activities (continued)

Social bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Access to essential services and affordable basic infrastructure		
<ul style="list-style-type: none"> • Construction or maintenance of any greenfield facilities or renovation of existing healthcare and education facilities that would enable efficiency, quality, access and capacity of the facility; • Projects that aims to improve the standards of technology, via the procurement of equipment or development of new facilities within the healthcare sector, which enables efficiency, quality, access and capacity; • Projects that aims to provide access to tertiary education or vocational and technical skills training, as well as access to campus infrastructure, student house or activities which would improve individuals' access to employment/self-employment; • Greenfield facilities or renovation of existing childcare facilities that would improve the efficiency, quality and capacity of the facility; • Project that aims to achieve universal health coverage, including financial risk protection and effective access to safe, effective, quality and affordable essential medicines and vaccines at no cost to the beneficiary; and • Project that aims to support the research and development of vaccines and medicines for communicable and non-communicable diseases that will be provided to the user at no cost. <p>Target Population: General population or targeted towards low income individuals and households as determined by local regulation in the country where the project resides.</p>	 <p>4 QUALITY EDUCATION</p>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.</p> <p>4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.</p>
	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support.</p>
	 <p>8 DECENT WORK AND ECONOMIC GROW</p>	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>
	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p>9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p> <p>9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.</p> <p>9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.</p>
	 <p>10 REDUCED INEQUALITIES</p>	<p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>

3.2.2 Social eligible assets and financing activities (continued)

Social bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Socioeconomic advancement and empowerment		
<p>Activities that improve gender equality and/or equal opportunities for historically disadvantaged and/or vulnerable groups:</p> <ul style="list-style-type: none"> Projects that aim to provide historically disadvantaged and/or vulnerable groups, including women owned enterprises groups and LGBTQ owned enterprises, with access to financial services, including affordable credit, payment and saving accounts; and nonfinancial services, including financial literacy and business skill training. <ul style="list-style-type: none"> To qualify as a woman-owned enterprise it must meet the following criteria: <ul style="list-style-type: none"> ≥ 50% owned by women; or ≥ 20% owned by women, with ≥ one woman as chief executive officer, chief operating officer, president, or vice president and ≥ 30% of the board of directors (if applicable) comprising women; Projects and services that create job opportunities for historically disadvantaged and/or vulnerable groups; and Projects and investments that increase access to information and communication technology and provide universal and affordable access to the internet. <p>Historically disadvantaged groups: Refers to groups of people who were previously disadvantaged by unfair discrimination, in terms of section 9(2) of the Constitution of the Republic of South Africa 1996, and as such, may be protected and advanced to achieve equality.</p> <p>Vulnerable groups: Refers to part of the local population that experience a higher risk of poverty, higher rates of victimisation, social exclusion and marginalisation than the general population, such as women, LGBTQ+ community, persons with disabilities, minority ethnic groups, people living at or below the national poverty line, children under the age of 18, orphans and elderly persons.</p>	       	<p>1.4 By 2030, ensure that everyone, in particular the poor and the vulnerable, has equal rights to economic resources and access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, as well as appropriate new technology and financial services, including microfinance.</p> <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations.</p> <p>5.1 End all forms of discrimination against women and girl children.</p> <p>5.5 Ensure equal opportunities for and full and effective participation of women in leadership at all levels of decision-making in political and economic spheres, including public life.</p> <p>5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in line with national laws.</p> <p>5.b Enhance the use of enabling technology, in particular information and communication technology, to promote the empowerment of women.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all, including young people and persons with disabilities, with equal pay for work of equal value.</p> <p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average rate.</p> <p>10.3 Ensure equal opportunity and reduce inequalities in terms of outcome by eliminating discriminatory laws, policies and practices and by promoting appropriate legislation, policies and action in this regard.</p> <p>11.5 By 2030, significantly reduce the number of deaths and the number of people affected by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations. Significantly reduce the direct economic losses related to the global gross domestic product caused by these disasters.</p> <p>14.b Provide small-scale artisanal fishers with access to marine resources and markets.</p> <p>15.b Mobilise significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance sustainable forest management, including conservation and reforestation.</p> <p>15.c Enhance global support for efforts to combat poaching and trafficking of protected species by increasing the capacity of local communities to pursue sustainable livelihood opportunities.</p>

3.2.2 Social eligible assets and financing activities (continued)

Social bond or loan category	ICMA mapping to SDG	Mapping to SDG target
Employment generation		
<p>Activities that increase employment opportunities for historically disadvantaged and/or vulnerable groups:</p> <ul style="list-style-type: none"> Projects that target inclusion in education systems for disadvantaged, vulnerable and/ or low-income groups to improve chances of employment; Projects that increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship; and Funding projects that promote growth for small and medium enterprises (SMEs). <p>Activities that expand the workforce for Commercial and SMEs businesses:</p> <ul style="list-style-type: none"> Small, medium and micro enterprises are categorised as per the South African Department of Small Business Development Schedule 1 of National Definitions of Small Enterprise in South Africa and/or any other acceptable market definition; and Commercial business is defined as juristic persons with annual turnover/revenue larger than R30m and less than R1.5bn. 		<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>
		<p>9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p>
		<p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>
<p><i>Activities that expand the workforce for SMMEs* as well as commercial** and corporate*** businesses.</i></p> <p><i>* SMMEs are categorised according to the definition of the South African Department of Small Business Development Schedule 1 or any other acceptable market definition.</i></p> <p><i>** A commercial business has an annual turnover of more than R30m but less than R1,5bn.</i></p> <p><i>*** A corporate business has an annual turnover of more than R1,5bn.</i></p>		

New financing and refinancing

The proceeds from sustainable issuances can be used to finance new eligible assets and/or refinance existing eligible assets. New eligible assets are those where disbursements will be made after the issuance of the sustainable instrument. Existing eligible assets are those that have reached financial close up to 24 months before the issuance, or assets that are not yet fully operational.

3.3 Process for project evaluation and selection

Nedbank has established a Climate and Sustainability Committee (Committee), formerly known as the Sustainable Finance Working Committee, within its Corporate and Investment Banking division. This Committee is responsible and accountable for the framework throughout the life of all use of proceeds instruments.

The Committee membership and attendees consists of senior representatives from our CIB Risk, Investment Banking, Debt Finance, Sustainable Finance Solutions, Operations, Strategy, Treasury, Balance Sheet Management and Sustainability teams. If required, the Committee may be supplemented or expanded by representatives from other teams.

The purpose of the Committee is to agree on the eligibility criteria of the use of proceeds and to make recommendations to

and seek confirmation from the Committee prior to issuances, where appropriate.

For both new and existing issuances, the process to select eligible assets will consider the following:

- Conforming with the criteria for eligible assets and financing set out above;
- Aligning the issuances with the framework; For existing issuances, deciding on eligible assets for substitution purposes;
- Confirming compliance with our SEMS Policy;
- Confirm ability to identify, isolate and report on a particular eligible asset or pool of assets;
- Applying our own professional discretion and judgement; and
- Where we elect, conformance with any other principles, standards or tools that may become commonplace in the market.

3.4 Management of proceeds

Nedbank will, notionally utilise the proceeds from sustainable instruments to finance or refinance, on a portfolio basis, eligible assets that have been selected in line with the use-of-proceeds criteria and project evaluation and selection process presented above. We will track the receipt and allocation of proceeds to ensure that eligible assets financed by sustainable instruments are appropriately managed for internal and external monitoring and reporting purposes, in line with our existing systems and internal tracking processes. If deemed appropriate, we may add or remove eligible assets from the portfolio.

We aim to maintain the eligible-asset portfolio at a level that matches or exceeds the balance of net proceeds from its outstanding sustainable instruments, and will monitor the size of the portfolio against the issuance proceeds. If proceeds remain unallocated, we will temporarily hold and/or invest the proceeds in our treasury liquidity portfolio, in cash, or in other short-term and liquid instruments at our discretion until the proceeds can be allocated appropriately. We may also temporarily allocate the proceeds to our balance sheet that aligns with the [Nedbank Sustainable Development Finance Inclusion Criteria \(SDFIC\) guidelines¹](#) or manage the proceeds in any other manner that would be deemed acceptable to ensure that funds are applied as intended.

If sustainable instruments take the form of one or more tranches of a loan facility, each tranche applicable to the eligible green, social, or sustainability activity will be labelled clearly.

3.5 Reporting

Nedbank will prepare and publish on its website an annual allocation and impact report, renewed annually until maturity of the instrument, with respect to listed sustainable instruments issued under this framework.

The report may include the following:

- The total proceeds allocated to eligible assets;
- The balance of unallocated proceeds;
- The amount or the percentage of new financing and refinancing; and
- Annual impact indicators (as applicable).

Where possible, we will refer to and adopt market best practice for allocation and impact reporting, which includes the impact indicators recommended in the ICMA handbook Harmonized Framework for Impact Reporting for green and social bonds. A summary of the impacts of the allocated portfolio for a use-of-proceeds instrument may include, but is not limited to, some of the metrics set out below as well as relevant project narratives to the extent that the data is available from clients, subject to permitted disclosure in line with relevant confidentiality agreements and privacy, competition or other relevant regulation.

Indicative impact indicators

Renewable energy	<ul style="list-style-type: none"> • Total installed MW capacity. • Annual generated renewable power (MWh/year). • Estimated annual CO₂-eq emission reduction (tCO₂e/year). • Number of people with access to clean-energy services. • Estimated number of jobs created.
Energy efficiency	<ul style="list-style-type: none"> • Estimated annual CO₂-eq emissions reduction/avoidance (tCO₂e/year) • Annual energy savings (MWh/year).
Green buildings	<ul style="list-style-type: none"> • Number of green buildings funded with eligible certification (eg EDGE). • Total m² of green buildings funded. • Total m² of energy-efficient property funded. • Estimated annual CO₂-eq emissions reduction/avoidance (tCO₂e/year) • Number of mortgages provided to green-certified houses/residential projects. • Number of people who have benefited.
Clean and sustainable transport	<ul style="list-style-type: none"> • Number of electric- or low-carbon vehicles financed. • Number of electric-vehicle charging points installed. • Number of people with access to electric vehicles. • Annual GHG emission reductions (tCO₂e/year) of rail/water/conveyor route in comparison to road transport. • Number of people with access to sustainable transport systems. • Level of service (passenger km/year).
Pollution prevention and control	<ul style="list-style-type: none"> • Total installed MW capacity (from waste to energy). • Annual generated waste-to-energy power (MWh/year). • Annual GHG emission reductions (tCO₂e/year). • Annual waste used for energy (tonnes/year). • Annual waste reused or recycled before and after the project. • Percentage emission improvements. • Annual carbon captured and/or stored (tCO₂e/year).
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Annual capacity of water captured (KI/year). • Number of water meters installed. • Annual volume of water saved/recycled (m³/year). • Annual volume of wastewater treated for reuse (m³/year). • Additional number of people with access to safe drinking water.

¹ The Nedbank Sustainable Development Finance Inclusion Criteria (SDFIC) guideline provides guidance for the business and insight for stakeholders with regard to the categorisation of sustainable-development financing and investments, which create positive societal and environmental outcomes and may lend support to a just transition and are therefore considered SDF. The SDFIC is reviewed annually in line with Nedbank's other policies and will be updated as required to reflect changing science and evolving best practice. The SDFIC is available on Nedbank Group's website <https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2023/2023%20Nedbank%20Sustainable%20Development%20Financial%20Inclusion%20Criteria.pdf>

Indicative impact indicators (continued)

Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> For agriculture projects: Annual non-GHG emission reduction (eg reduction of N₂O fertiliser emissions). Productivity gains as a result of climate-smart agriculture (tonnes/ha of product type/year). Reduction in post-harvest losses (tonnes of product type/year). Area of biodiversity conserved (ha/year). Area of forestation or reforestation (ha/year). Amount/size of sustainable agriculture, animal husbandry, and fisheries (ha/year).
Climate change adaption	<ul style="list-style-type: none"> Description of the specific climate risk being addressed by the investment and how the project improves resilience to climate change.
Affordable housing	<ul style="list-style-type: none"> Number of people with access to safe, affordable, and sustainable housing. Number of affordable and sustainable-housing units built. Number of mortgages provided for affordable and sustainable housing.
Social infrastructure	<ul style="list-style-type: none"> Number of healthcare facilities financed. Number of new or existing healthcare facilities that have experienced increases in capacity, ie additional hospital beds, as a result of financing. Number of people with access to healthcare. Number of education facilities financed. Number of people with access to education facilities or courses. Projected additional student intake. Number of households with access to childcare facilities. Number of people with access to safe, effective, quality, and affordable essential medicine and vaccines. Number of people who have been vaccinated against communicable and non-communicable diseases.
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> Number of women and/or black economic empowerment (BEE) groups with increased access to affordable credit, payment services, saving accounts or non-financial services. Number of woman-owned enterprises funded. Estimated number of jobs created. Value of personal-loans book and new business. Procurement from woman-owned companies and BEE companies.
Employment generation	<ul style="list-style-type: none"> Number of SMEs financed and value of SME loans. Estimated number of jobs created.

Note: For some assets or projects, qualitative measures such as GHG-emission reduction might not be feasible to measure due to the complexity of methodologies. In such cases, the impact report will include qualitative information or other proxy quantitative data. Where required, we will seek technical expert guidance on impact reporting for these projects.

For green, social and/or sustainability bonds issued on the JSE, or any other exchange where there is such a requirement, we will provide an annual JSE independent external verification confirming continued compliance with the relevant use-of-proceeds standard in line with our annual compliance procedures.

4. External verification

4.1 Pre-issuance external review

This framework has been reviewed by independent, external reviewer S&P Global Ratings, in line with the ICMA Guidelines for Green, Social, Sustainability and Sustainability-linked Bonds External Reviews. S&P has experience and a track record in issuing second-party opinions. S&P confirmed that the framework aligns with the following: the ICMA Green and Social Bond Principles (2021); the Sustainability Bond Guidelines (2021); and the LMA, LSTA and APLMA Green Loan Principles (2023) and the Social Loan Principles (2023). The external review report will be made available, together with this framework, on the group's website.

4.2 Post-issuance external review

Every year, starting one year after the issuance until maturity (or full allocation), the group will request a limited assurance report by external auditors (as deemed necessary), confirming the allocation of the green, social and/or sustainability bond or loan proceeds to sustainable eligible assets.

For use-of-proceeds bonds issued on the JSE or any other exchange where there is such a requirement, the group will provide an annual independent external verification report confirming continued compliance with the GBP and SBP, in line with its annual compliance procedures.

5. Disclaimer

General disclaimer

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