



NEDBANK
GROUP

MAKING A PURPOSE- DRIVEN IMPACT.

SOCIETY REPORT
FOR THE YEAR ENDED 31 DECEMBER
2020

see money differently

OUR PURPOSE

To use our financial expertise to do good for individuals, families, businesses and society.

ABOUT OUR COVER

2020 has been a year of ups and downs. In the face of a difficult year, we are proud that we have stayed true to our purpose of using our financial expertise to do good, supporting our clients and employees through the Covid-19 crisis and contributing to society. We have remained resilient on key operational, liquidity and capital metrics, and our leadership has done a commendable job in managing the health and safety of stakeholders, including employees and clients. What Nedbankers have managed to achieve resonates in the fynbos that we find in the South African landscape – it not only survives against all odds, but actually thrives after being faced with devastation, such as drought or fire. It's all about 'natural resilience'. And this is exactly how we balance the challenges we faced in our business, with the strides made in progressing our strategy and building a Nedbank that is more client-centred, more digital, more agile and more competitive. As with the fynbos analogy, if the foundations are strong – like ours – you can withstand the severe conditions and flourish once the environment has improved.

Mike Brown, Chief Executive – January 2021



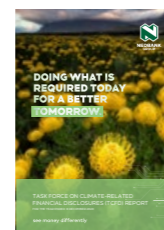
nedbankgroup.co.za

As part of our comprehensive integrated reporting, the 2020 Integrated Report is supplemented by our various online publications and additional information available on our website at nedbankgroup.co.za. In 2020 our suite of supplementary reports were consolidated into three separate reports – a climate, society (social) and governance report.



FINANCIAL AND RISK MANAGEMENT REPORTING

- 2020 Results Booklet and presentation
- 2020 Nedbank Group Annual Financial Statements
- 2020 Pillar 3 Risk and Capital Management Report



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORTING

- TCFD and other climate-change-related disclosures
- Nedbank energy policy*
- Nedbank climate change position statement*



SOCIETY (SOCIAL) REPORTING

- Sustainable Development Review
- People Review
- Transformation Review
- Stakeholder Engagement Review

Broad-based black economic empowerment (BBBEE) certificate*

Global Reporting Initiative Standards*



GOVERNANCE REPORTING

- Governance Review
- Ethics Review
- Treating Clients Fairly Review (Market conduct)
- Financial Crime Review (AML, Fraud and Cybercrime)
- Remuneration Review
- Tax Review

Key policies*

Boardmember and group executive profiles*



SHAREHOLDER INFORMATION

- Notice of 54th annual general meeting (AGM)
- Form of proxy
- Shareholding profile*

* Available separately at nedbankgroup.co.za.

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Overview of how the group uses financial expertise to create positive economic, societal and environmental impacts for society.

Overview of how we deliver on our people vision as an employer of choice that develops, attracts and retains critical talent and skills.

Overview of the group's commitment to transformation through (among other things) delivery in line with BBBEE legislation.

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Overview of our stakeholders' needs and expectations and our key engagements.

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NAVIGATION ICONS

Our capitals

- Financial
- Intellectual
- Manufactured
- Human
- Natural
- Social and relationship

Our strategic unlocks

- Delivering market-leading client solutions
- Ongoing disruptive market activities
- Focusing on areas that create value (SPT 2.0)
- Driving efficient execution (TOM 2.0)
- Creating positive impacts

Our stakeholders

- Clients
- Employees
- Regulators
- Shareholders
- Society

Other icons

- King IV
- Top 12 risks
- This icon directs the reader to pages or supplementary reports with more information.

ABOUT OUR SOCIETY REPORT

Our long-term sustainability and success are contingent on the degree to which we deliver value to society. Through the considered development and delivery of products and services that satisfy societal needs, and through our own operations, we aim to play our part to enable a thriving society, create long-term value and maintain trust. This is particularly important in the current context of SA as well as the broader African continent.

Mpho Makwana, acting Chairman



The 2020 Society Report is a supplement of the 2020 Nedbank Group Integrated Report, which presents information relevant to how we create, preserve and minimise the erosion of value for our stakeholders, including our employees, clients, regulators and society. The integrated reporting suite is produced and published annually, covering the year 1 January to 31 December 2020. Any material events after this date and up to the board approval date of 13 April 2021 have also been included.

This report provides disclosures on how we deliver on our purpose and create value for broader society. We report on the purpose-led investments we have made to support sustainable development, deliver long-term growth and create positive societal and environmental impacts through our business. This report also describes our contribution to building an inclusive and transformed economy as well as our commitment to the well-being of our employees and highlights our key actions in response to the needs of our stakeholders. The contents of this report are guided by the Global Reporting Initiative (GRI) Standards, the King Code of Governance Principles for South Africa (King IV), disclosure recommendations of the TCFD and the application of the Amended FSC.

The board ensures the integrity of the Society Report through our integrated reporting process, the various approvals and sign-offs by Group Exco and the board, and relies on our coordinated assurance model, overseen by the Group Audit Committee, that assesses and assures various aspects of our business operations and reporting. These assurances are provided by management and the board through rigorous internal reporting governed by the group's ERMF, internal audit and independent external sources and service providers.

Our annual financial statements are assured by our joint external auditors, Ernst & Young Inc. (EY) and Deloitte & Touche (Deloitte), limited assurance on selected sustainability information is provided by Deloitte and Mosela Rating Agency provides limited assurance on our application of the Amended FSC and the group's BBBEE status.

For further details on the limited assurance on selected sustainability information, please refer to our 2020 Integrated Report.

The year 2020 brought about unprecedented change, volatility and uncertainty in the global economy and broader society, on a scale that occurs once in 100 years. During this time, the significant role that we play as a financial service provider became even more critical. We remained committed to delivering on our purpose of using our financial expertise to do good as we provided support to our stakeholders and the economy in response to the Covid-19 crisis. Unfortunately, SA's economy was already in a weakened position before the pandemic landed on our shores, with the country stuck in the longest economic downswing since records began. The impact of the economic shutdown on jobs and societal well-being has been damaging, scaling back some of the progress made in socioeconomic development in recent years.

Beyond the widespread and compounding effects of the pandemic, we continue to face an overwhelming number of significant global risks. This includes the environmental impacts of climate change, which remain at the top of global risks and demand an urgent, collective response. 2020 tied with 2016 as the warmest year on record - a signal of the increasingly acute threat that climate change presents. If not tackled with urgency, environmental degradation threatens to entrench societal divisions, widen inequalities and heighten social instability. As the world embarks on a fragile path to economic recovery, the call to 'build back better', for more equitable societal outcomes and within environmental constraints, is one that must be heeded. The success of this journey depends on strong and committed leadership, cooperation, and long-term

investments towards creating the future we all need. As a responsible corporate citizen, we embrace our role as a financial institution to contribute to building to a sustainable economy, a thriving society and a healthy environment.

DELIVERING ON OUR PURPOSE

The purpose of the Sustainable Development Review chapter (pages 6 to 37) is to communicate the sustainable development actions and investments we have made in support of purpose-led business and our contribution to the United Nations (UN) Sustainable Development Goals (SDGs).

Given the unprecedented global impact of the Covid-19 pandemic, the primary focus for us over much of 2020 was on protecting our employees and clients from the associated impact of the virus, assisting national healthcare efforts and providing vital support and relief to people and communities in all the areas in which we operate. Our efforts and contributions are detailed in the Nedbank Group Integrated Report 2020 and the People Review, and where appropriate, are aligned with particular SDGs which are touched on in this Sustainable Development Review.

Despite the pandemic, and the resultant slow growth environment, we continued to pursue sustainable development opportunities, but the quantum of what was possible in 2020, as well as the amount of leadership focus, was certainly impacted.

ENSURING THE WELL-BEING OF OUR PEOPLE

The People Review (pages 38 to 75) provides an overview of the highlights and challenges from a Nedbank employee perspective in 2020. Our central priority throughout the year was on ensuring the health, safety and well-being of our employees, clients and other stakeholders. Despite the difficult operating environment in 2020, employee engagement levels remained high.

The Covid-19 pandemic became a catalyst for change in the way we work and live - the world as we now know it no longer resembles anything we considered 'normal' in 2019. The pandemic called for us to re-evaluate how we do business, what clients and employees expect, and where and how we work. We reviewed our business operations and people practices in the face of the unprecedented levels of uncertainty about the future - a future influenced by the rate of economic recovery and digital transformation on one side, and a redefined set of human expectations and needs on the other.

DRIVING TRANSFORMATION

Despite the difficult environment, we remained true to our purpose to use our financial expertise to do good - to not only transform inwards, but to also contribute towards a prosperous society.

We continued to focus on transformation as a key imperative to ensure we remain relevant in a transforming society. To this end, Nedbank has once again achieved a level 1 BBBEE contributor status for 2020, under the Amended FSC, for the third consecutive year. The Transformation Review (pages 76 to 95) provides an overview of our strategic transformation framework and details the outcomes of our ongoing commitment to sustainable transformation.

ENGAGING WITH OUR STAKEHOLDERS

Our Stakeholder Engagement Review (pages 96 to 107) highlights some of the critical engagements that have created value for Nedbank; and how we have delivered value for others.

The Group Transformation, Social and Ethics Committee (GTSEC) exercises oversight over all our sustainable development governance bodies, and ensures that their commitments remain in line with the overarching business strategy. The GTSEC, along with the newly formed Climate Resilience Committee, makes recommendations to the Nedbank Board and executives on how we can continually enhance our impact on society, our responses to manage climate change, and our relevance and value to all stakeholders.

Covid-19 and our natural world: An important lesson for mankind

Adapted from the Nedbank Climate Guide

The Covid-19 pandemic was not caused by climate change, but the two phenomena share a common origin - the prevailing mistaken belief that humanity is separate from, and somehow elevated above, the natural world in which it exists.

Nature is often viewed as subordinate to our economic machinery - little more than a source of materials and energy, and a sink for the waste we generate. In reality, our survival as a species depends absolutely on the healthy and proper functioning of the world's natural systems. And of all the lessons that Covid-19 taught mankind, this dependence on the natural systems we take so for granted, and abuse so easily, must be the most important and valuable.

The main impacts of both Covid-19 and climate change are delivered not directly through the events themselves, but through the reaction of our social, political, and economic systems to these events. Our response to Covid-19 forced us to recognise that this is not an external challenge that exists outside of our human endeavours; and that climate change and the decimation of the earth's natural resources and biodiversity are no different. These are not environmental problems, they are human problems. As such, they require humans to be the solution.

Our relentless consumption of the natural world is destroying the conditions that make human progress and the benefits of advanced civilisation possible. Our prospects as a species will be greatly diminished if we continue this way. Fundamental changes are now mandatory, beginning with the mindsets and beliefs that underpin our collective behaviours.

EMPLOYEES
28 324

79%
BLACK
EMPLOYEES

61%
FEMALE
REPRESENTATION

SKILLS
DEVELOPMENT
SPEND OF
R924m
(2019: R760m)

Level 1
BBBEE
CONTRIBUTOR

R31bn
RENEWABLE-ENERGY
(REIPPPP)
FUNDS
DISBURSED

Carbon-
neutral
OPERATIONS

MSCI ENVIRONMENT,
SOCIAL AND
GOVERNANCE
(ESG) RATING:
AA

Our purpose, vision, brand, strategy and values

OUR PURPOSE

To use our financial expertise to do good for individuals, families, businesses and society



OUR VISION

To be the most-admired financial services provider in Africa by our employees, clients, shareholders, regulators and society

OUR BRAND PROMISE

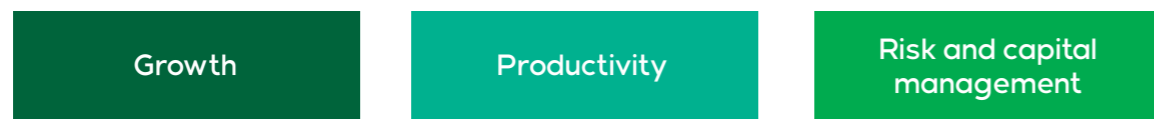
see money differently

OUR STRATEGY TO 2023

Targets

DHEPS > 2 565 cents (2019 levels)	ROE > 15% (2019 levels)	COST-TO-INCOME RATIO < 54%	NPS #1 bank (from #2 in 2020)
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Value drivers



Value unlocks



OUR VALUES

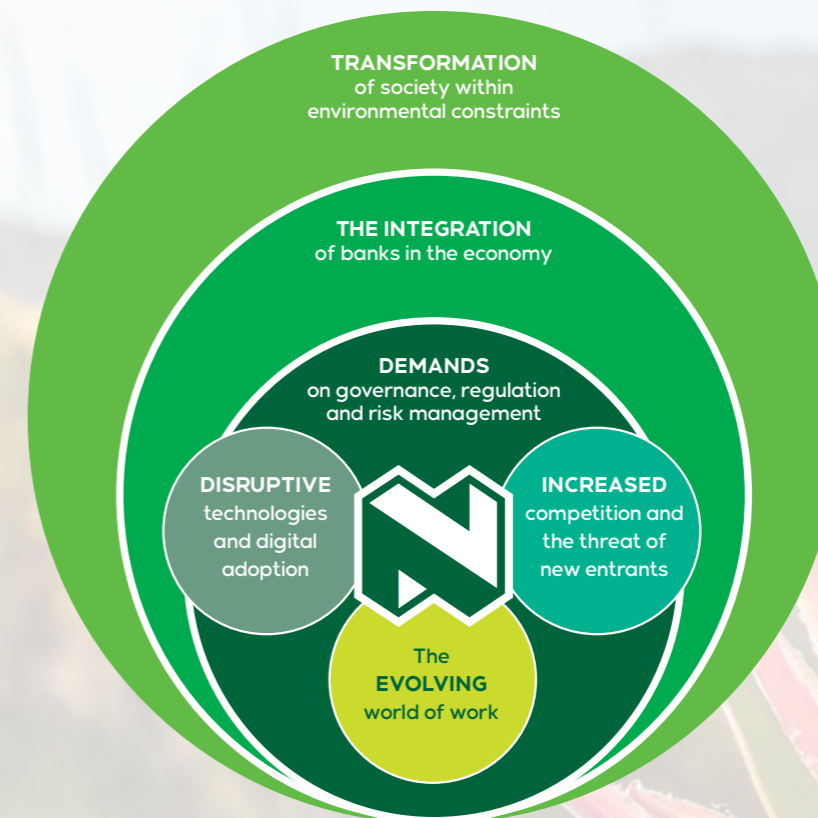
Integrity Respect Accountability People-centred Client-driven

Our operating environment

Covid-19 brought into sharp focus and exacerbated many of the fragilities embedded in our economy. While the environment remains volatile, uncertain, complex and ambiguous, the pandemic has helped us to clearly identify what is paramount in terms of societal well-being.

While many things have changed in the past year, the pandemic has reinforced the imperative to create a more equitable and prosperous future for all, while operating within planetary boundaries. Against this backdrop, we have identified the following material matters as the issues that have the greatest likelihood of affecting our ability to create sustained value for our stakeholders. While these issues do change over time, as our stakeholders' needs evolve and new trends and developments – like the pandemic – shape the macro environment, the broad themes remain consistent. These material matters include:

OUR MATERIAL MATTERS



DETERMINING OUR MATERIAL MATTERS



TOP 12 RISKS

- 1 Business (global and country) risk
- 2 Credit risk
- 3 Strategic execution risk
- 4 Capital risk
- 5 Cyber risk
- 6 Operational risk
- 7 Liquidity risk
- 8 Market risk
- 9 Reputational (and association) risk
- 10 Climate risk
- 11 Conduct risk
- 12 Regulatory and compliance risk

SUSTAINABLE DEVELOPMENT REVIEW

6 We have entered the “decade of change”. This is a relatively short space of time in which we need to transform our energy sector, our transportation sector, our food systems and our built environments completely, and in a manner that drives more equitable societal outcomes and respects environmental constraints. This is an unprecedented task and while we may not know exactly how to enable this rapid transition, we will use the Sustainable Development Goals (SDGs) to guide our strategic efforts, and work with sector experts, our clients and government to take the required collective action. 9

Mike Brown, Chief Executive



This chapter communicates the sustainable development actions and investments we have made in support of purpose-led business and our contribution to the United Nations (UN) SDGs. Activity from 1 January 2020 to 31 December 2020 as well as any material events after this date, and up to the date of the Nedbank Board’s approval of the document on 13 April 2021, has been included.

Aligned with our Sustainable Development Framework, which guides the delivery of purpose-led business, this chapter covers the following:

- Sustainable development finance – using our financial expertise, lending and investment capabilities to deliver on prioritised SDGs.
- Corporate social investment (CSI) – leveraging our CSI to contribute to those SDGs that we cannot directly target through our core business and operations.

OUR SUSTAINABLE DEVELOPMENT FRAMEWORK



OUR PURPOSE GUIDES VALUE CREATION

Nedbank is aware that we, alongside our stakeholders, operate in a nested, interdependent system. This means that for our business to succeed, we need a thriving economy, a well-functioning society and a healthy environment. We also recognise that sustainability issues such as climate change, inequality, social justice and, most recently, pandemics are playing an increasingly material role in shaping this system.

Within this context, our purpose guides our strategy, behaviours and actions towards the delivery of long-term systems value for us and our stakeholders. We use the Nedbank Sustainable Development Framework to focus our efforts and identify strategic focus areas with business opportunities and risks as well as cost savings. While the exact size of these savings and opportunities may differ across geographies at a global level, they are substantial. The Business and Sustainable Development Commission estimates them to be over US\$12tn annually by 2030.

We have prioritised nine of the 17 SDGs where we believe we have the greatest ability to deliver meaningful impact through innovation in our banking products, lending and investment practices. These nine goals are being championed by nine group executives. These executives have to ensure that the percentage of our lending and investment towards sustainable development finance grows in a manner commensurate with the needs of our clients, the size of the strategic opportunities offered and our desire to lead in this area.

¹ Reporting on Operations is covered in our Task Force on Climate-related Financial Disclosures (TCFD) Report.

Sustainable development finance

The greatest contribution that a bank can make to the sustainable development agenda is the deliberate allocation of increasing amounts of capital commensurate to the scale and time sensitivity of the challenges faced.

During 2020 Covid-19 took an inordinate amount of our leadership’s time and attention highlighting what it takes to address a global crisis together. However, the mounting pressures imposed by climate change, inequality and growing social injustices will dwarf this Covid-19 pandemic in terms of economic cost and societal impact, and will demand even more radical and collaborative responses.

As such, sustainable development finance and the role that financial institutions play in addressing the world’s environmental, social and governance (ESG) challenges are critically important. A dedicated focus on sustainable development finance is the most impactful lever to drive progress towards the SDGs.

In May 2020 we proposed climate change resolutions at our annual general meeting (AGM) and they were unanimously approved by shareholders. Through these two ordinary resolutions, we are adopting and have committed to disclosing publicly an energy policy aimed at enabling the transformation of the energy system over time by making finance flows consistent with a net-zero-emission and climate-resilient future. These resolutions also resulted in the creation of some new governance structures dedicated to addressing climate change risks and opportunities. This will see more leadership resources committed to these issues in 2021.

Positive developments in 2020 included the following:

- The adoption of an energy policy that 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.
- A dedicated Sustainable Finance Solutions unit, which is mandated to partner with our clients to identify sustainable finance and investment opportunities and maximise their contribution to, and benefits from, such solutions.
- The growth of our embedded-energy lending portfolio with ambitions for it to be one of our fastest-growing portfolios in 2021.
- The launch of SA’s first green tier 2 capital instrument. This R2bn SDG-linked bond is listed on the Green Bonds segment of the JSE.

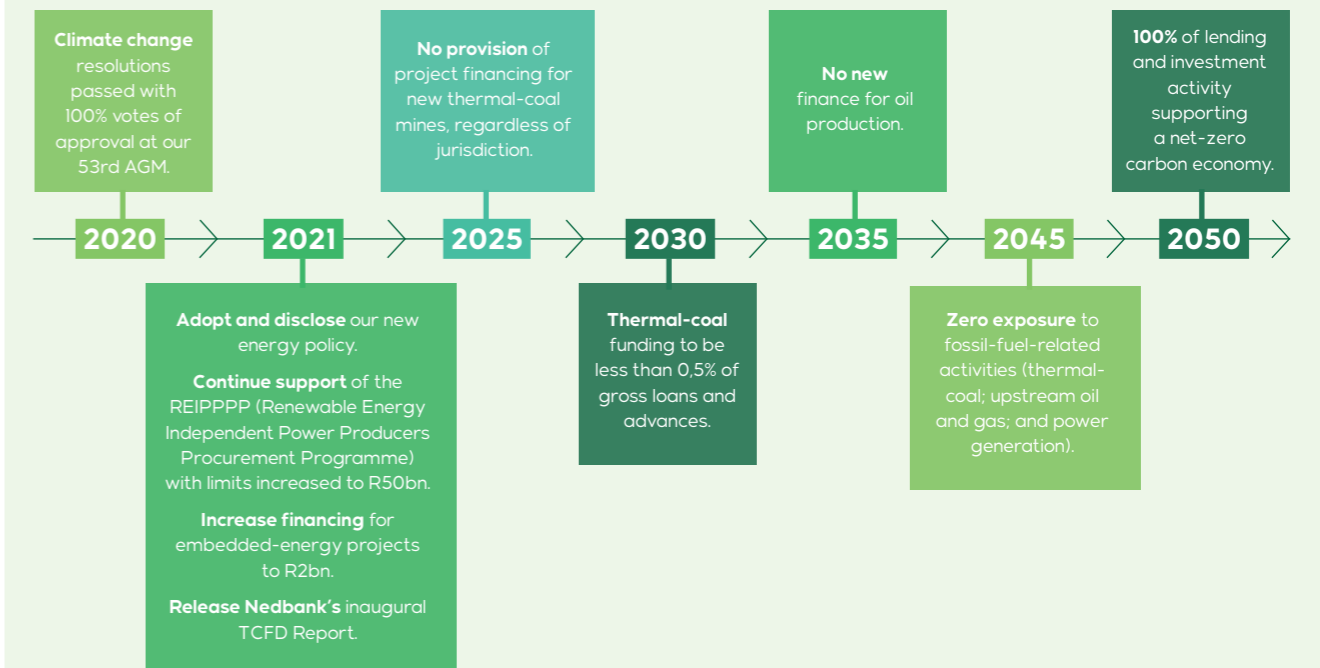
The pages that follow document important sustainable finance solutions provided over the course of 2020 as well as an overview of the CSI support aligned with our purpose.



6 The solutions to sustainable development are unknown, not because they are hard to find but because we’ve never taken the time to look. 9

Herman Daly, American economist well known for his work in sustainable development

NEDBANK COMMITMENTS





SDG 4: Quality education



Anna Isaac, Group Chief Compliance Officer

Education unlocks potential, creates opportunities, removes barriers in the economy, and equips individuals to contribute towards a better society and a better life for all. As such, it is one of the most invaluable investments that can be made.

Our approach to achieving this education goal encapsulates better access to education, availability of resources that facilitate learning, and support that enables education to translate into income-generating opportunities and an enhanced quality of life.

In 2020 education systems globally were severely and abruptly impacted by Covid-19. Existing educational inequalities, including the digital divide, have been exacerbated by the pandemic. We believe that radical inclusion is the only equitable way to educate billions of citizens around the globe in future years. As such, we continue to explore financial solutions, strategic partnerships, and value propositions aimed at addressing the challenges to education.

Anna Isaac,
Group Chief Compliance Officer

Key SDG 4 progress findings for 2020

Despite some progress, the world is not on track to meet 2030 education targets. Before Covid-19, projections showed that more than 200 million children would not be in school, and only 60% of young people would be completing upper secondary education in 2030. Months of absence from school owing to Covid-19 are likely to impact education outcomes even more.

The education needs in sub-Saharan Africa illustrate a need for funding to keep millions of children in school and provide basic infrastructure such as access to water and sanitation, electricity and technology, and the internet.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 4** in 2020 include the following:

STUDENT LOANS

Access to funding is a vital component of sustainable education outcomes and should be designed holistically to maximise its potential. To this end we offer financial assistance that goes beyond tuition and covers everything from student fees, textbooks and accommodation to transport – at competitive interest rates and with flexible repayment terms. During their studies, internship and articles students are required to repay only the interest on their loans. Capital payback is expected only once the student qualifies and is employed.

Over the past five years, we have provided approximately 4 300 students with student loans to the value of R232m. A total of R37,9m (2019: R45m) of this was disbursed to support 617 students in 2020 (2019: 758).

In response to Covid-19 and the national lockdown, our student loan clients were assessed individually and offered suitable debt relief options where required. Efforts are underway to enhance the student loan onboarding process, making our student loans more easily accessible through a variety of channels.

CSI support for tertiary education includes support for the 'missing middle' through the Ikusasa Student Financial Aid Programme (ISFAP). Read more about this programme on page 35.



STUDENT ACCOMMODATION

Students need affordable accommodation close to their tertiary institutions in order to enable them to succeed in their studies. This, however, remains an ongoing challenge in SA with the Department of Education estimating that student housing on campus currently caters for the needs of fewer than 20% of students.

We are a significant contributor to, and stakeholder in, the provision of accommodation for students at various tertiary institutions. Through our clients, such as CampusKey, we have provided R5,1bn in funding for over 41 780 student beds since 2015. In 2020 we invested R691m (2019: R1,8bn), which delivered an additional 785 beds. Unfortunately, Covid-19 delayed new development transactions in 2020, many of which were postponed to 2021. Completion of these developments will depend on the ongoing impact of the pandemic on tertiary education institutions.

STRATEGIC PARTNERSHIPS TO PROVIDE AFFORDABLE EDUCATIONAL PRODUCTS

We have established partnerships with a number of academic and learning organisations, including the Shaw Academy, Gradesmatch, MoveUp and TeachSA, to offer discounted online courses, curriculum vitae (CV) creation services, career advice and tertiary application and bursary support. These services are offered to our clients through various Nedbank platforms, including Avo and Unlocked.Me. Course content includes practical topics such as finance, business, languages, photography, health and fitness, marketing, technology, design and beauty for adults and job readiness, and online coaching for students and maths and science support, as well as revision exercises across various subjects and grades for school learners. Highlights of these partnerships in 2020 include the following:



MoveUp creating nearly **500 000 free smart CVs** and saving an estimated **R200 per person** in CV creation costs.



Gradesmatch doing more than **240 000 qualification matches** and **119 000 career matches**.

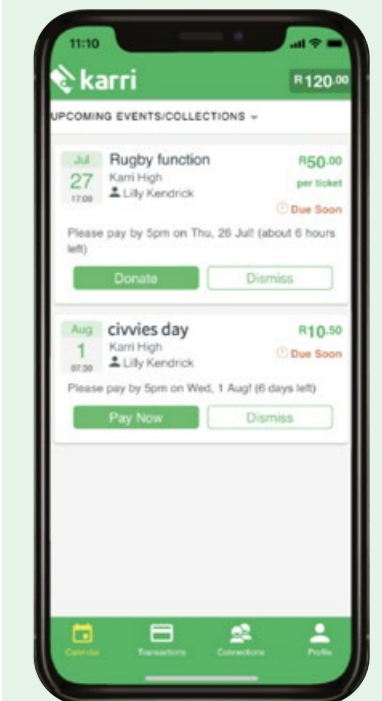
Gradesmatch helping with **bursary applications for over R200m** to the National Student Financial Aid Scheme (NSFAS) and contributing **R500 000** to university application fee costs.



School payment solution

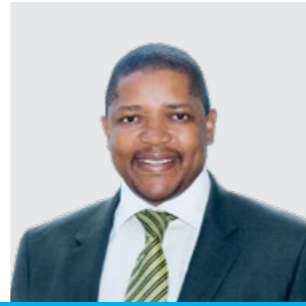
The Karri app is an integrated message-based, payment, collection and reconciliation app that we developed to solve a niche problem experienced by schools. Karri enables parents to make school-related payments within seconds – at the same time relieving schools, parents and children from the risk of cash payments and the burden of administering collections. Over 700 schools and their parents and children are enjoying the benefits of the Karri app, with monthly transactions averaging R15m.

As schools reopened the Karri app has served as an ideal solution to the complexities of collecting money in times of social distancing. A Covid-19 data-screening administration capability was developed and offered to schools free of charge on the app. This offers schools a digital and central solution to record and monitor the Covid-19-related exposures of their students attending class. Karri currently has 274 organisations using the screening functionality to support their Covid-19 screening and safety protocols. A total of 43 of these are new organisations that joined Karri specifically for the screening product, which was launched in June 2020.





SDG 6: Clean water and sanitation



Dr Terence Sibiya, Group Managing Executive: Nedbank Africa Regions

Water plays a critical role in the economic growth and development of our continent. Many of the countries in which we operate are water scarce and the infrastructure for fresh and waste water cannot meet the needs of growing, increasingly urbanised populations. Access to finance and innovative financing solutions will help to address these infrastructure challenges, and so we are embracing our role as a catalyst and facilitator of effective water partnerships and investments.

Dr Terence Sibiya,
Group Managing Executive:
Nedbank Africa Regions

Key SDG 6 progress findings for 2020

Many countries face growing challenges linked to water scarcity, water pollution, degraded water-related ecosystems and cooperation over transboundary water basins. In addition, funding gaps and weak government systems hold many countries back from needed advancements. Unless the current rates of progress increase substantially, SDG 6 targets will not be met by 2030. Challenges that require urgent attention include the following:

High water stress. The withdrawal of too much fresh water from natural sources can have devastating consequences for the environment and can constrain or reverse sustainable development. If unmitigated, water stress can lead to water scarcity, which could displace an estimated 700 million people by 2030.

Lack of fresh water in the poorest countries. This is increasing the vulnerability of people in these countries to climate change and water scarcity. Population growth, agricultural intensification, urbanisation and industrial production degrade freshwater bodies, threatening ecosystems and the livelihoods of people.

Funding for SDG 6 targets is insufficient. Alarming, global financial commitments to the water and sanitation sector continue to decline overall, showing pedestrian increases. The latest available data from 20 developing countries and territories showed a funding gap of 61% between identified needs to achieve national water, sanitation and hygiene targets and available funding. Increasing donor commitments and unlocking private sector funding to the water sector remain crucial.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 6** in 2020 include the following:

BANKING TO HELP PROMOTE WATER SECURITY

While we were able to support a number of sizeable water deals in 2020, we did not see lending to the water sector at levels we would have liked, given the many challenges in the sector. We have increased our support of some key water providers and other stakeholders. These relationships continue to give us valuable insights into effective water management and stewardship as we grow our role as catalyst and partner in the water sector.

Examples of where we have supported the sector through lending and banking services in 2020 include the following:

- Awarded a 10-year amortising term loan of R2bn for the Trans-Caledon Tunnel Authority (TCTA) for the Vaal River System. This funding is for the second phase of the Lesotho Highlands Water Project to transfer water to Gauteng. This is in addition to the R600m we have provided to the TCTA for their projects to date.
- Renewed a R500m liquidity facility to Rand Water to support the running of this important water institution.
- Provided over R70m for the Knysna local municipality, of which almost R59m was committed to fund a water-related infrastructure upgrade, including main water reticulation, water treatment plants and a new sewer plant.
- Were primary transactional banker to key water institutions, including Umgeni Water, Ekurhuleni Water Care Company, the City of Cape Town water board and Nafasi Water, the only black-women-owned industrial water technology and utility services company in SA.
- Were lead arranger and provider of preference share funding to South African Water Works for two water concessions at Mbombela and Ballito.

ENCOURAGING INNOVATION IN WATER PARTNERSHIPS, STEWARDSHIP AND LEARNING

In 2020, we participated in various government and industry water initiatives aimed at encouraging collaboration and learning among key stakeholders in the country's water-secure future. These engagements aim to alleviate the sector's challenges and improve the country's prospects of a water-secure future.

- **The WWF Nedbank Green Trust:** Over the past five years more than R112m has been invested in 34 water and conservation projects. Altogether 18 of those projects at an investment of nearly R42m focused on water (fresh and marine).
- **W12 Congress:** The W12 is a grouping of water professionals and water authorities from water-stressed cities across the world. They have adopted the W12 protocol, a United Nations Educational, Scientific and Cultural Organisation (Unesco)-endorsed peer-to-peer tool that helps them to make effective decisions, share solutions and rethink water resilience over the long term. A particular highlight of 2020 was the W12+ Drive-In event for which Nedbank acted as host and premier banking partner. This event, broadcast across the globe from Cape Town, included participants like Unesco, DuPont, Xylem, the International Water Bank, the premier of the Western Cape, and City of Cape Town leadership, among others.
- **Water Savings Guide:** Offers valuable insights into the need for every individual and household to save water and offers tips on using less of this vital natural resource. Produced with the World Wide Fund for Nature (WWF-SA), the guide can be downloaded for free from nedbank.co.za.



TAKING WATER ACTION IN OUR OPERATIONS

Some of our other water interventions during 2020 were as follows:

- **Net-zero operational water usage:** Thanks to our support of the WWF-SA Water Balance Programme, which removes alien invasive trees in key water source areas, we are effectively a net-zero operational water user.
- **Reductions in office water usage:** In 2020 total water consumption across all our campus sites decreased by 25% to 191 194 kℓ (2019: 254 801 kℓ). This decrease was achieved primarily due to the majority of our employees working from home because of Covid-19. We continued with our commitment to water efficiency in our operations despite fewer employees being able to use our facilities. These interventions included the installation of 254 Propelair air flush toilets at our head office in Sandton. These toilets use 1,5 litres of water per flush compared to 9 litres per flush in normal toilets.

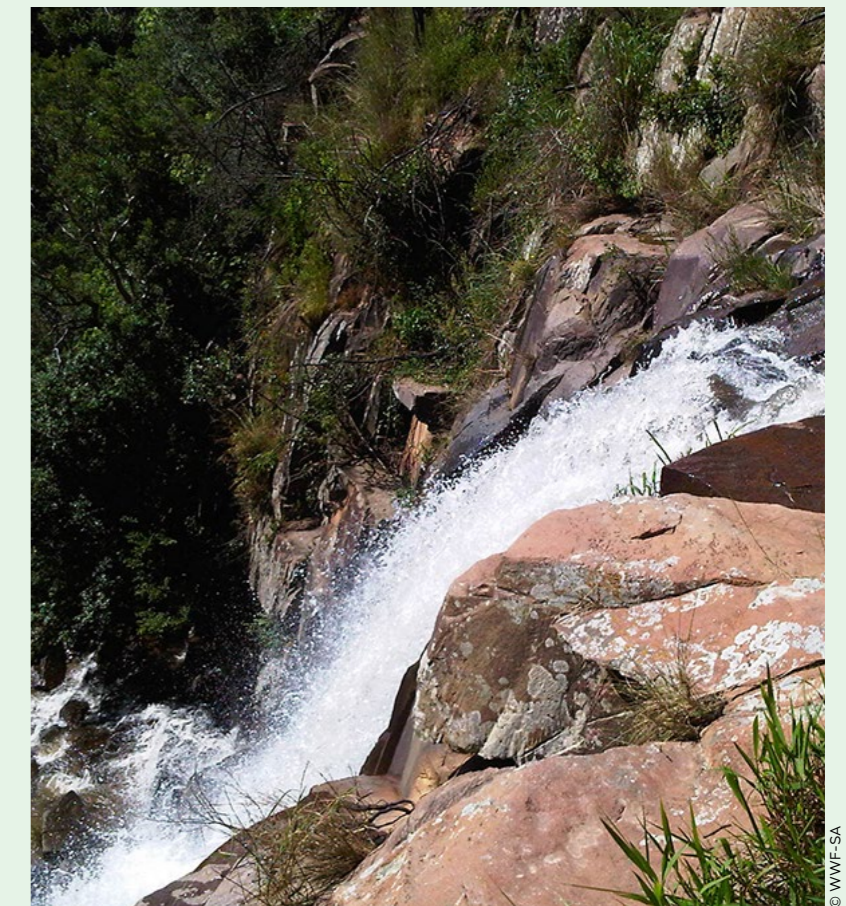
Catalysing water access

In 2019 we partnered with a number of other funders to finance the rehabilitation of a number of springs to ensure a reliable source of water throughout the year for communities in the Umzimvubu water catchment area in the Eastern Cape, the heartland of the work programme under the WWF-Nedbank partnership.

This pilot investment helped to develop a response model for rehabilitating ecological infrastructure to improve water access to rural communities far from metropolitan centres.

It was also a critical step in involving local communities in decision-making around water issues and responding to their priorities. They live in a critical water source area where protecting the catchment is vital not only to their lives, but also to a huge number of downstream users and stakeholders.

Funded by the WWF Nedbank Green Trust and other partners, this model will now be scaled across six local authorities in the catchment. The first step is to do a hydrocensus to record the location, use, risk and flow data of all springs across the watershed. This information will assist with the development of a watershedwide spatial database and help prioritise how the funding of R7m is used to rehabilitate 42 more springs and assist thousands of community members.





SDG 7: Affordable and clean energy

Mike Davis, Chief Financial Officer



“ We are committed to building an integrated, modern energy sector incorporating renewable-energy sources such as solar, wind and hydropower that will accelerate access to clean, reliable and affordable energy solutions for businesses and citizens alike. As energy generation, in its current form, is the leading cause of climate change, it is imperative that we, and the rest of the financial services sector, do not relax this commitment and protect our world for future generations. ”

Mike Davis,
Chief Financial Officer

Key SDG 7 progress findings for 2020

The world continues to advance towards sustainable energy targets, although efforts are not of the scale required to achieve SDG 7 by 2030. Some progress has been made in improving energy efficiency and expanding access to electricity. However, millions of people across the globe still lack this basic service, and progress on clean cooking fuels and technologies has stagnated, affecting the health of billions of women and children in particular. Disruptions in supply chains could wreak havoc with energy services, and reduced incomes could limit people's ability to pay for them. Plummeting oil prices are also likely to discourage growth in renewable energy. Specific challenges that require urgent attention include the following:

Deficits in electricity increasingly concentrated in sub-Saharan Africa. The proportion of the global population with access to electricity has increased since 2010. Over one billion people acquired access to this essential service over the course of the decade. However, hundreds of millions of people, 85% of them in rural areas, do not have electricity. The deficit is concentrated in sub-Saharan Africa, affecting about 548 million people or 53% of the population. To meet the target of universal access to electricity by 2030, the annual rate of electrification has to rise from the current 0.82 percentage points to 0.87 for 2019 to 2030. At the current rate of progress, a projected 620 million people would still lack access to electricity in 2030.

Stepped-up efforts in renewable energy needed. The share of renewable energy in total final energy consumption has increased marginally since 2010, driven mainly by increased consumption of modern renewables. The rise in international financing for renewable energy is encouraging, but only a fraction of it is reaching the poorest countries. Focused attention is needed to ensure that financing reaches countries most in need.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 7** in 2020 include the following:

UTILITY-SCALE RENEWABLE-ENERGY FINANCE

In all REIPPP projects to date we have arranged 42 transactions in renewable-energy projects, underwriting a total of R36.2bn and paying out R31.5bn. In 2020, four photovoltaic (PV) projects (265 MW) and two wind projects (172 MW) reached commercial operation, contributing a total of 437 MW to SA's power system.

Once all REIPPP projects that we have funded are constructed, they will add 3 517 MW to the national grid, which will not only contribute significantly to a more stable energy supply, but also help to underpin the long-term economic growth of the country.

A key development to support the growth of renewable energy in SA has been the change in licensing rules that will now allow intensive power users to procure renewable-energy power directly from independent power producers. We anticipate supporting our clients by providing funds to enable this.

EMBEDDED-ENERGY-GENERATION FINANCE

The embedded-energy-generation market continues to develop rapidly, and is expected to gather further momentum in 2021 in SA, as government has indicated a willingness to increase the existing 1 MW floor for licensing of projects. This will open up opportunities for larger projects in sectors such as mining, with its extensive energy requirements.

We continue to build on our experience in funding renewable-energy projects as we support our clients in their efforts to source cost-effective and secure renewable-energy supply

in line with their climate change strategies. In 2020 we deployed a further R60,9m (2019: R163,5m) into projects with a range of leading energy developers and expanded our financing beyond energy generation to include energy-efficiency technologies such as lighting and refrigeration. This continued innovation in our funding structures has further cemented our position as the leading financier in this sector.

In addition, R197m (2019: R1,7bn) of our property finance lending over the past financial year went towards facilities that included the installation of solar power.

Embedded energy in action

We are funding SOLA Group in the rollout of a portfolio of solar energy projects across SA. SOLA Group is an integrated solar energy services provider. The group has significant experience and engineering expertise in the field of solar PVs in Africa. From its experience and capabilities in utility-scale solar PV project development, to commercial and industrial solar engineering, procurement and construction and power purchase agreement solutions, to energy storage and microgrid engineering, SOLA can service a myriad of large-scale energy needs.

During 2020 we provided debt funding to SOLA to implement an embedded generation solar energy portfolio across seven Anheuser-Busch InBev (AB InBev) breweries in Limpopo, Gauteng, the Western and the Eastern Cape and KwaZulu-Natal. The deal is structured to enable AB InBev to buy solar energy from SOLA Group as the owner of the PV assets on the premises of the breweries. The systems will provide a portion of the energy consumed by the site and the remaining portion will be supplied by the municipal grid. This rollout forms part of AB InBev's global initiative to ensure that 50% of its electricity came from renewable-energy sources in 2020, and that 100% will by 2025.

The combined generation capacity is approximately 8,7 MW, which can produce up to 14 GWh of clean energy per year, which is equivalent to removing more than 2 000 cars off the road. To achieve this capacity SOLA installed 23 000 solar panels and created 175 jobs during the construction phase, additional to the 56 permanent positions at the company.

SOLA Group is also using Nedbank funding for clients such as Pick n Pay, Aspen Pharmacare, and Simonsig Wines.



SDG-LINKED BOND

In 2020 we launched SA's first green tier 2 capital instrument. This R2bn SDG-linked bond is listed on the Green Bonds segment of the JSE. It was created in partnership with African Development Bank and will see us actively funding the origination of impact-based assets that will not only promote immediate proactive sustainable development, but also ensure the long-term sustainability and positive impact of our balance sheet into the future. In particular, we will be using the proceeds raised through the bond instrument towards financing the development of new renewable-energy projects awarded under the emergency Risk Mitigation Independent Power Producer Procurement Programme announced by government in 2020. These projects will help to increase the share of renewable energy in the global energy mix, consistent with the targets under SDG 7, and assist the transition to a cleaner and greener economy while simultaneously creating jobs in SA.

INTERNATIONAL FINANCE CORPORATION GREEN LOAN

In December 2020 we partnered with the International Finance Corporation (IFC), a member of the World Bank Group, under a US\$200m climate finance loan mechanism, demonstrating our commitment to develop markets further and support projects aligned with positive environmental impacts. We have directed part of the climate funding raised under the loan towards financing a combination of solar, wind and biomass projects that are reaching their commercial operations date, and will be using the balance of the funding to support the construction of new projects under government's REIPPP Programme, which are aligned with the IFC's Equator Principles. This initiative lends support to government's plan to shift to a low-carbon economy and will drive further growth in clean energy generation and access.

SUSTAINABLE FINANCE SOLUTIONS UNIT

The unit serves to integrate sustainable values within mainstream financing, assist the structuring and development of new products linked to sustainability, and partner with our clients to identify sustainable solutions that would support the transition and provide value-add to our clients.

The unit will work in collaboration with other business units across the bank and will seek to attract and orientate capital flows through sustainability-led structuring to enable deployment into areas of the economy where it is needed the most.

RESIDENTIAL SOLAR ENERGY FINANCE

In mid-2020 we launched a residential solar energy finance offering that saves our clients money on electricity bills by leveraging their home loan to install solar panels. Initial interest in this offering has been positive. We have received over 200 enquiries, resulting in loans of over R2,5m towards residential solar installations so far. Clients are assisted on their solar journey by accredited suppliers who take the complexity out of the process, and ensure that our clients enjoy the added benefits of a more reliable energy supply and insulation from future electricity price hikes.

In 2021, following a successful pilot, we will be launching a new product for affordable-housing clients and first-time homeowners. The product enables investment in water- and energy-efficient technology for their homes. In addition to the reduced living costs due to cheaper utility bills and lower maintenance costs, the product is also offered at a reduced interest rate.

BUY IN AN EDGE-ACCREDITED DEVELOPMENT FOR LONG-TERM REWARDS

Edge-accredited (Excellence in Design for Greater Efficiencies) development homes could help you **save a minimum of 20%** on your monthly energy and water bill.

All Edge-accredited homes in South Africa are certified by the Green Building Council South Africa. This globally recognised certification is a guarantee that the home is **designed and built to save you money** by reducing your water and electricity use. To find out more about the Green Building Council South Africa, visit gbcasa.org.za.



Changing finance to support our energy system and the climate positively

We have developed an Energy Policy that builds on our Climate Change Position Statement. This policy outlines our commitment, over time, to align our business strategy, policies, mandates and incentives with the Paris Agreement. Accordingly, we expect to align with a science-based glide path across all sectors over the next few years to inform how we will assist clients – and society more broadly – to achieve a net-zero economy by 2050.

In concert with a planned withdrawal from fossil fuels, we will multiply our efforts to finance non-fossil energy solutions that will accelerate socioeconomic development, including renewable energy; energy efficiency; energy storage; electrification of high-emissions sectors (eg surface transport and heat); and other emerging technologies such as hydrogen, when and where appropriate.

For more detail about our approach to climate change and managing climate risk as well as our operational performance, responsible finance and investment practices, please read our inaugural TCFD Report and our Climate Change Position Statement at nedbank.co.za.

SHARING KNOWLEDGE FOR MAXIMUM IMPACT

We produce a range of sustainable development guides and publications that have been researched and produced in partnership with highly regarded professional organisations and institutions. The guides can be downloaded for free from nedbank.co.za. We want to equip as many of our employees, clients and other stakeholders as possible to become more effective in making a positive impact. Guides that align with SDG 7 include the following:

- **The Energy Efficiency Guide:** Produced in collaboration with the National Business Initiative (NBI) and the Carbon Trust, the guide provides advice, guidance and tips that businesses can use to manage and optimise their energy consumption.



- **Carbon Footprinting Guide:** Produced in collaboration with the Sustainability Institute, this guide gives businesses all the information they need to calculate their carbon footprint accurately.



SDG 8: Decent work and economic growth



Priya Naidoo, Group Executive: Strategy

The success of any business is dependent on the development and sustainability of the society in which it operates. Employment and equality are the cornerstones of such social development and it is incumbent on businesses to do their part to help stimulate employment creation and contribute towards a more inclusive and equitable society. Unfortunately, the challenge of unemployment continues to hamper sustainable economic development and meaningful social upliftment. This is especially true in Africa, where we mainly operate, and is fuelling the cycle of poverty and economic stagnation that so desperately needs to be broken. Addressing the challenge demands a collaborative and concerted effort, underpinned by employment-friendly policies, and fuelled by massive and sustained investment.

Priya Naidoo, Group Executive: Strategy

Key SDG 8 progress findings for 2020

The global economic slowdown has understandably had a significant adverse impact on the world's labour markets, particularly on workers in informal employment, the self-employed, daily wage earners and workers in sectors at the highest risk of disruption. Global unemployment figures are projected to continue rising for the foreseeable future. According to estimates from the International Labour Organisation, global working hours were estimated to have dropped by 14% in the second quarter of 2020, with the South African unemployment rate rising to an all-time high of 32,5% at the end of 2020.

Urgent policy measures are needed to support businesses, boost labour demand and preserve existing jobs – especially for the most vulnerable – to achieve full and productive employment and decent work for all women and men.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 8** in 2020 include the following:

COVID-19 CLIENT SUPPORT

The primary focus of 2020 was on protecting our employees and clients from the associated impact of the virus, assisting national healthcare efforts and providing vital support and relief to people and communities in all the areas in which we operate.

At the peak of the crisis we supported our clients with cashflow relief on R121bn of loans. Pleasingly, our clients had reduced this level of support to R28bn by the end of 2020 as economic conditions improved. We also enabled our employees and clients to contribute R160m to the Solidarity Fund through the Money app, Online Banking and the Nedbank website.

INCLUSIVE BANKING SOLUTIONS FOR INDIVIDUALS AND SMALL GROUPS

We offer a range of banking solutions customised to the needs of individuals and small groups of clients, including: zero-fee propositions for individuals; a stokvel product with unique funeral benefits and discounts on goods for stokvel members; and a digital concierge service called Avo, an app that brings consumers and businesses together.

MobiMoney

Our digital wallet-based solution Nedbank MobiMoney enables easy access to banking services without the need for a formal bank account. It is designed to keep money safe, send money to other people, and facilitate the buying of electricity and airtime. Over one million MobiMoney wallets were opened in 2020, with a value of R23,3m transferred during the period (2019: R178 868).

The offering was improved in 2020 with additional functionality that enables the payment of beneficiaries via MobiMoney, and cashless payments for small businesses such as informal traders. Future enhancements will include the functionality to buy funeral insurance and data bundles and to access micro loans.

Stokvel Account

The Nedbank Stokvel Account offers competitive interest rates, zero monthly maintenance fees as well as funeral cover of R10 000 per member. Stokvel members also qualify for grocery and school supplies discounts.

Since its launch in April 2018, the Stokvel Account has attracted over 4 300 stokvel groups, with more than 182 000 members and deposits to the value of R65m at December 2020. Progress was also made with the digitisation of onboarding and transacting for stokvels

SDG 8: Decent work and economic growth **continued**

and their members, resulting in signup times being reduced and requirements for authorisations and documentation eased.

Pay-as-you-use account

The pay-as-you-use (PAYU) account is the first in the market to offer zero fees for a transactional account. It provides banking access to an entry-level market that is often financially excluded due to irregular or very low cashflows. It is a card-based transactional account that offers a range of free services such as travel insurance, card swipes, stop orders, email statements and a linked savings account. In 2020 we opened nearly 410 000 PAYU accounts, building on the 400 000 opened the previous year.

SUPPORTING SMALL BUSINESSES WITH INCLUSIVE BANKING SOLUTIONS

The small, medium and microenterprises (SMMEs) sector is a vital contributor to SA's sustainable economic growth and key to the creation of sustainable employment. Covid-19 had a significant knock-on effect on unemployment, pushing the already unacceptable numbers of people without work or a steady income to all-time highs. At the same time it created untold challenges for small businesses, many of which struggled, or failed, to survive the economic hardships of 2020.

Against this difficult backdrop, the importance of financial institutions supporting, funding and partnering with SMMEs to enable them to stay in business, retain profitability and continue to deliver employment was significantly highlighted.

We offer an array of banking, lending and investment solutions as well as business education support through our Small Business Services (SBS) division. Today, SBS offers this service and support to 210 000 businesses with an annual turnover of up to R30m, while Nedbank Business Banking partners with over 15 000 larger businesses with turnovers of R30m to R750m each.

In addition to the extensive Covid-19 support and relief provided to small businesses during the national lockdown (see below) in 2020, SBS continued to deliver the valuable business support to which its small-business clients have become accustomed, advancing R3,5bn (2019: R3,4bn) to clients. This unwavering focus on providing seamless business support and services, combined with the comprehensive help delivered in the face of Covid-19, resulted in continued improvement in SBS's 'likelihood to recommend' or client loyalty rating, putting Nedbank in first place at 29,2% (against the industry average of 18,2%).

Then, to enable and support our clients during 2020 in their transition to the new global business environment, we undertook the following initiatives:

- **Maintained our focus on the delivery of digital onboarding and servicing** for businesses and individuals and continued to drive the migration of all clients onto new digital channels proactively.
- **Introduced Startup Bundle**, offering six months' free banking for new Nedbank single-owned businesses, via a digital application only. Also launched MoneyTracker, a free digital money tracking tool on the Money app and Online Banking, and announced a partnership with global accounting partner, Xero, to launch the first fully automated direct banking feed enabling mutual clients to connect their banking data into Xero, seamlessly and securely, meaning no manual uploads and no need for third parties.
- **Credit policy tightening and close management of risk and collections environments.** A key part of helping business clients through the pandemic and its challenges is ensuring that they do not become overindebted or take on excessive financial risk. Our efforts meant that we saw less impairments than we expected, and a good recovery in new credit applications and approvals, despite tightening our credit policies to protect our clients and our business. Read the Transformation Report 2020 for more examples of small-business support and mentorship.

**Helping SMMEs through Covid-19**

SBS followed a two-pronged approach to supporting its SMME clients through the pandemic and the lockdown stages.

Specific actions taken to address the immediate challenges of Covid-19 included the following:

- **Step change** in client interaction levels with frontline employees refocused heavily towards proactive check-ins with clients and the facilitation of appropriate financial support and debt relief.
- **Shift in marketing and communications to education and support** through webinars, financial guidelines and other forms of education and guidance.
- **Delivery of client relief measures.**
 - » Under the South African Reserve Bank (SARB) SME loan guarantee scheme we paid out R1,2bn in loans.
 - » We emerged as the top bank in terms of support of the South African Future Trust initiative, with R300m in funding granted to around 2 500 small-business employees and 26 000 individual salaries paid. A total of 17% of home loan holders and 8% of vehicle finance clients were approved for payment holidays, while 1 579 SME loans (combining phase 1 and 2) were approved, to the value of approximately R715m. BackaBusiness, a collaboration between SimplyBiz and SA's largest crowdfunding platform, Thundafund, saw small businesses receive relief from their supporters in the form of donated monies or buying of vouchers to keep businesses afloat over lockdown.
 - » We partnered with the Department of Small Business Development to provide payment solutions for Covid-19 relief grants through the Spaza Shop Support Scheme. We worked through our branches and selected Boxer stores to facilitate 8 000 applications to the scheme. More than 5 000 of the applications qualified for the R3 500 grant. In addition, we partnered with the Mastercard Center for Inclusive Growth in offering tailored training to these spaza shop owners. The content was delivered in weekly modules via SMS, covering a range of topics critical to business growth and financial security.

BUILDING BUSINESSES AND CREATING JOBS

The Nedbank Enterprise and Supplier Development (ESD) programme has been running since 2015. It combines business mentorship with specialist guidance and financial support to help SMEs operating across various industries to succeed, grow and create employment opportunities.

In 2020, despite the many challenges created by Covid-19, the ESD programme continued to operate and deliver valuable tailored solutions to address the needs of businesses selected to participate in the programme. The initiatives and businesses supported during the 2020 financial year were:

Programme/Business	Nedbank support for training and mentorship	Businesses receiving support
Municipality programmes	R600 000	500 (entrepreneurs targeted across 20 municipalities)
DESTEA ROYCO ED Programme	R150 000	5
Stellenbosch Hub	R1,45m	30
RLabs	R3,6m	50
AWIEF Accelerator	R2,65m	50
Fix Forward	R3,5m	100
Riversands Hub	R2,97m	60
Nedbank Insurance Plumbing Programmes	R3m	12
MILA Cleaning Services	R430 000	10 (plus 85 jobs)

NEDBANK AND OLD MUTUAL BLACK BUSINESS PARTNERS LEGACY PROGRAMME

The Nedbank and Old Mutual Black Business Partners (BBP) Legacy Programme continues the strong relationship forged between Nedbank, Old Mutual and their partners WIPHOLD, Brimstone and Izingwe during their BBBEE transaction period. All parties committed to the provision of a combined endowment of R300m to be disbursed under the following three investment streams:

- The commercialisation of small-scale farming and food security, led by WIPHOLD.
- Job creation and support for entrepreneurs, led by Brimstone.
- The development of township economies and urban renewal, led by Izingwe.

This programme aims to enable sustainable development projects through the provision of patient capital over favourable time periods and with minimal or zero interest charged, depending on the investment needs of the projects supported. To date over R180m has been disbursed across the three streams. No new funding was disbursed in 2020 as the initiatives evaluated did not meet either risk or eligibility criteria. Repayments from some of the projects initially funded have begun, which speaks to their long-term sustainability, a key consideration in funding decisions.

- **Pick n Pay Township Revitalisation Programme:** The Pick n Pay Township Revitalisation Programme sees Pick n Pay partnering with a number of spaza stores across the country to upgrade and formalise their operations to meet the needs of customers and communities better and improve the profitability of store owners. All the Market Stores on the programme continued trading through the national lockdown in 2020. However, most experienced a fairly significant decline in income, with average sales across all stores down 21% over the year. Profit margins for most stores also declined. But the vast majority managed to keep the jobs they have created, or to appoint more people. A total of 220 jobs was targeted for the stores funded by the BBP Legacy Programme, and currently 282 jobs have been preserved or created. The Business Banking team provides transactional banking to 39 of the Market Stores and provided more funding to another 12 stores.



- **Pay 4 Performance:** The Pay 4 Performance (P4P) project enjoyed its second year in 2020, and was facilitated by the Harambee Youth Employment Accelerator, which focuses on upskilling and getting young people who have been economically excluded into entry-level jobs. Focus areas included digital skills such as coding. Unfortunately, the arrival of Covid-19 created significant challenges for the P4P project. By the middle of 2020, stakeholders agreed that the targeted outcome of participant placements for 12-month periods or longer was no longer viable. It was decided to exit the Bonds4Jobs instrument and unwind the P4P project. Despite the project closing prematurely, 1 209 candidates were trained and placed in full-time employment, building on the 600 jobs that were created in the pilot phase. It is hoped that this model can be replicated by the state skilling system in time to help address the significant youth unemployment challenge across the continent.



SDG 9: Industry, innovation and infrastructure



Anél Bosman, Group Managing Executive: Corporate and Investment Banking

Infrastructure and innovation are two of the vital pillars on which sustainable development must rest. Only by steadily increasing targeted investment in these areas, will we be able to catalyse meaningful and equitable economic growth. It's an unfortunate reality for Africa that this type of infrastructure investment remains in short supply. Many parts of the continent still lack essential infrastructure such as decent roads, reliable telecommunications and access to fresh water. However, the need for this development offers us scope for growth as we deliberately invest increasing amounts of capital in these opportunities, in innovations that will fast-track this development, and we use our influence to lobby for regulatory and policy change that is hampering the progress needed to meet the targets associated with SDG 9.

Anél Bosman,
Group Managing Executive: Corporate
and Investment Banking

Key SDG 9 progress findings for 2020

Investment in research and development globally, and financing for economic infrastructure in developing countries, have increased. What's more, the intensity of global CO₂ emissions has declined, and impressive progress has been made in mobile connectivity. However, the growth of manufacturing has decelerated and industrialisation in developing countries is still too slow. The pandemic has dealt a severe blow to manufacturing and transport industries, causing disruptions in global value chains and the supply of products as well as job losses and declining work hours in these sectors. In developing countries, manufacturing jobs are an essential source of income and are key to poverty reduction. The effects of Covid-19 have been so destabilising that they threaten to halt or even reverse progress towards SDG 9 and other goals.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 9** in 2020 include the following:

FACILITATING TRADE AND SOCIAL WELL-BEING THROUGH INVESTMENT IN INFRASTRUCTURE

In 2020 we successfully concluded a US\$296m project finance deal for the Beitbridge Border Post Upgrade and Modernisation project in Zimbabwe. The Beitbridge border post is one of the busiest on the continent and is a key gateway for trade between the Southern African Development Community (SADC) region and northern Africa through the SADC regional trunk road network and North-South Trade Corridor. However, trade has been negatively impacted due to inefficient infrastructure and long waiting times at the border post.

The upgrading and modernisation of the Beitbridge border post is a key African infrastructure project and the first public-private partnership concluded in Zimbabwe in more than 20 years. The project is expected to bring immense benefit to all users of the border. It will have a significant impact on the economic efficiency of cross-border trade and commercial transport will waste less time. This project will improve the flow of trade between both SA and Zimbabwe and will also assist in improving trade within the SADC regional trunk road network, thereby boosting growth on the African continent.

Importantly, the project included initiatives with a social impact, such as a fire station, housing development, sewer line, improved electricity supply and a water reservoir for the local town of Beitbridge. This not only contributes to improving the quality of life of the residents of this town, but also creates more employment opportunities and economic growth for the area.



JOIN US IN CELEBRATING 30 YEARS OF CONSERVING THE ENVIRONMENT

AND SUPPORT NATURE CONSERVATION,
AT NO COST TO YOU.

You can also do good for the environment by banking, investing and insuring with Nedbank.

The WWF Nedbank Green Trust, cofounded by Nedbank and WWF-SA in 1990, is a mutually beneficial partnership that supports nature conservation projects through community-based programmes. Since inception, we've helped raise more than R300 million for the funding of over 200 major conservation projects. These conservation projects have enabled thousands of bird species to survive and thrive.

Simply open an account and link it to Nedbank Green Affinity to support nature conservation, at no cost to you. Visit any Nedbank branch or call 0860 555 111.

To enter a competition and stand a chance to win your share of R100 000, visit www.nedbankgreen.co.za. T&Cs apply.

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SDG 10: Reduced inequalities



Iolanda Ruggiero, Group Managing Executive: Wealth

By working to reduce inequalities – whether based on income, gender, age, disability, sexual orientation, race, class, ethnicity or religion – SDG 10 seeks to create a trusting and well-performing society. The Covid-19 pandemic highlighted the importance and urgency of achieving this vision. While Covid-19 is a global virus, its impact has been unevenly felt, and it has served to highlight, and exacerbate, existing inequalities, particularly on the African continent. It has presented us with a stark reminder that socioeconomic challenges, such as high unemployment, unequal access to healthcare, poverty and the digital divide have contributed, and continue to contribute to, an unsustainable and untenable low-growth environment. Never before has the need and urgency to reduce inequality been stronger. As a business, we continue to support efforts to address inequality through policies that govern our sector and the way we operate. We are committed to developing innovative financial products and services that fuel sustainable economic growth and reduce social inequalities.

Iolanda Ruggiero,
Group Managing Executive: Wealth

Key SDG 10 progress findings for 2020

Despite some positive signs – such as lower-income inequality in some countries and preferential trade status for lower-income countries – inequality in its various forms persists. The Covid-19 crisis is making inequality worse. It is hitting the most vulnerable people hardest, and those same groups are often experiencing increased discrimination. The wider effects of the pandemic will likely have a particularly damaging impact on the poorest countries. If a global recession leads to reduced flows of development resources, that impact will be even more severe. Specific challenges that require urgent attention include the following:

Disproportionate income growth. Leaving no one behind means that those with lower incomes are able to benefit and participate in a country's broader economic growth. Progress particularly in sub-Saharan African countries has been limited.

Income inequality levels generally remain high. Despite falling inequality in the vast majority of countries with a Gini index value of more than 40 in 2010, levels of income inequality remain high in many countries. Out of 166 countries with data, 65 still had a Gini index value of over 40 in their most recent values, with 17 having an index value of more than 50 and SA sitting at over 60.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 10** in 2020 include the following:

CROSS-BORDER REMITTANCES

Africa is well known for its massive population of migrant workers. Many earn an income in one country, but support family and friends in another. In partnership with Ecobank, we introduced a cross-border remittance solution that enables documented people living and working in SA to transfer money to friends and family members in 33 African countries instantly.

Clients pay a fee of 4.5%¹ of the total remittance value and the capability can be accessed conveniently on the Money app. Importantly, users are not required to provide any documentation or visit a branch to sign up or make transfers and we have also leveraged our internal treasury function and associated systems to ensure that real-time forex rates, at appropriate costs, are available.

In 2020 the value of cross-border transfers increased significantly, by a 188% and new client acquisition increased by 158%. This despite restrictions placed on local currency usage by the Nigerian authorities which negatively impacted this corridor.

An agreement has now been signed with Ecobank to allow for more banking partners to participate on this cross-border remittance platform, which will further extend the reach and value of the offering going forward.

¹ We are aware that the fee of 4.5% is higher than the SDG 10 goal of 3.5%, the increase in cost was as a result of an expanded network of participating banks. Discussions to meet the 3.5% target need to be held in 2021.

INCLUSIVE CHANNELS

We continue to develop our distribution channels in addition to our products and services to reach more clients and improve access to financial services for all our clients.

Digital: Covid-19 reinforced the vital role that digital banking plays in ensuring clients have equal and uninterrupted access to financial services in every eventuality, including lockdowns. During 2020 we continued to improve our digital banking platforms with a focus on ease of access and inclusivity as well as world-class functionality and security. The year saw increasing numbers of clients transacting online, primarily through their mobile devices, with growth in digitally active clients of 20%, from over 1.8 million clients to 2.2 million.

Of our 186 services, 170 are now digitised, and over 1.2 million clients have enrolled on the Money app. Digital penetration has grown to 57.3% from 50.6% in 2019, with USSD (including the MobiMoney product) and the Money app now having over a million users each.

Physical: Our physical distribution footprint is extensive to enable alternative access to clients in addition to our digital offerings. It includes 439 branches, 110 in-retailer outlets and over 223 personal-loans kiosks. In addition, we have 415 in-branch self-service kiosks that enable clients to complete self-service transactions at their convenience and without having to wait for assistance from a branch consultant for services such as ATM limit changes, profile maintenance, statement issuing, blocking and replacing cards for PAYU and Savvy Plus Accounts, with the long-term intent to offer this across all current accounts as well as creating onboarding capabilities for new sales.

Video banking and contact centre access from within the branches also provide convenient banking alternatives for clients, especially during busy times. Our Intelligent Depositor devices offer our clients a convenient way of making deposits and accessing authorised bank statements, and approximately 84% of all cash deposits are made using these devices, while over 300 000 statements are accessed on them every month.

Our contact centre is available 24 hours a day and the client experience continues to be improved through the inclusion of voice biometrics as well as an online live chat capability that enables clients to access services and information round the clock. Over the past year we saw a continued shift in the way our clients choose to access our contact centre, with around 28.6% of all interactions now through non-voice channels, such as text or video.

EDUCATING FOR INCLUSION

Over the past five years, we have leveraged our existing resources and innovative technology to achieve more inclusive financial wellness in the communities in which we operate. We have reached just over 23.9 million people across SA through various initiatives, including face-to-face workshops, digital platforms, and social and mass media to deliver our financial literacy programme. During the same period, just over 762 000 clients were trained through our face-to-face consumer financial literacy workshops, which focus on empowering people to make more informed and better financial decisions.

In 2020 we reached a total of just over 29 000 (2019: 175 500) clients through these face-to-face workshops, just before being forced to put these events on hold due to the hard lockdown in March. Subsequently, a further 16.9 million individuals were reached through radio, TV, digital platforms and social media.

Our goal for digitising consumer financial literacy and education was accelerated by Covid-19 and our aim remains to make our education materials more easily accessible through various social and digital platforms, as demonstrated by #BeMoneyWise, an innovative online consumer financial literacy and education training programme designed to reach rural communities. The programme was piloted in Mokopane, Limpopo, with approximately 5 000 individuals participating and able to access all content digitally at no cost and with the support of digital ambassadors. The digital ambassadors were drawn from the community and 18 jobs were created during the pilot. Given the success of #BeMoneyWise, it will be scaled in 2021.

Financial education for SA's youth

We partnered with Disney to launch Penny Power, an eight-part financial literacy story aired on DSTv Disney and Nedbank YouTube channels in 2020. Penny Power is the face and voice of the Nedbank4Me youth account and provides parents and their children with engaging financial information under the themes of 4Saving, 4Growing, 4Spending and 4Good. It is estimated that more than 13 million individuals have been reached through the series to date.

A workbook, linked to each episode to further the learning process, was piloted in 2020 and will be rolled out in schools and Nedbank branches, along with a new child-friendly website in 2021.





SDG 11: Sustainable cities and communities



Ciko Thomas, Group Managing Executive: Retail and Business Banking

More than 3,5 billion people live in cities around the world. Rapid urbanisation raises the imperative, and urgency, to ensure that cities are able to cope with the increasing pressures placed on them. We need to be working to make cities smarter, safer, more efficient, more sustainable and better able to support the lives and livelihoods of all the people who call them home. In Africa, this challenge is exacerbated by historic legacies of colonisation and oppression that have created inequitable environments with large portions of city dwellers surviving on the periphery of mainstream city infrastructure, with little service delivery and often in appalling conditions. Reversing this scenario demands appropriate redress, dynamic and inclusive planning, and committed investment designed to reshape the fabric of urban society.

Ciko Thomas,
Group Managing Executive: Retail and
Business Banking

Key SDG 11 progress findings for 2020

Even before the Covid-19 pandemic, rapid urbanisation meant that four billion people in the world's cities faced worsening air pollution, inadequate infrastructure and services and unplanned urban sprawl. Safe public transport, reliable basic services and open public spaces are especially important now to ensure the health and livelihoods of urban dwellers. Successful examples of containing Covid-19 demonstrate the remarkable resilience and adaptability of urban communities in adjusting to new norms. Cities will emerge from the pandemic, but whether they are prepared for the next crisis will depend on how much they can advance data-driven inclusive and sustainable urban development. A specific challenge that requires urgent attention includes public transport.

More public transport needed. Reliable, accessible and affordable public transport reduces pollution and traffic, and promotes productivity and inclusion. Only half the world's urban population has convenient access to public transport, according to 2019 data from 610 cities in 95 countries. A focus on short-term investments in road-based public transport infrastructure can translate into higher access to low-capacity public transport systems.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 11** in 2020 include the following:

AFFORDABLE-HOUSING DEVELOPMENT FINANCING

Access to adequate housing is one of the key challenges facing democratic SA, as government grapples with lingering backlogs in the provision of affordable housing and rising demand. To help address this issue we disbursed funds totalling R686m (2019: R1,1bn) towards new affordable- and social-housing developments for 2020, facilitating a delivery of 1 882 units. This brings our five-year investment in this key sector to almost R5bn.

HOME LOANS FOR AFFORDABLE HOUSING

In 2020 Nedbank Home Loans provided R1 527m in home loans (2019: R1 034m) to clients in the affordable-housing market. We continue to support this market through improved distribution and product enhancement aimed at making housing solutions more affordable for South Africans. Interventions include a cashback bonus of R5 000 to help clients settle in their new homes and a 50% discount on attorney bond registration costs.



GREEN BUILDINGS

In 2020 we provided funding of over R2,2bn (2019: R790m) for the construction of buildings that conform to green building standards, bringing the amount of funding provided to this important sector to date to over R12bn. This will result in further increases in energy and water efficiencies achieved by green buildings.

We also occupy 10 Green Star-rated buildings with 18 Green Star ratings across various rating certifications, including Office (design), Office (as built) and Existing Building Performance. Green Star ratings are external verification of the water and energy savings benefits as well as employee well-being benefits that the investment in our building portfolio yields. We were again one of the key sponsors of the Green Building Convention in 2020. This was done in a bid to facilitate shared learnings across the sector and enable the industry as a whole to minimise its negative impacts while growing its positive impacts.



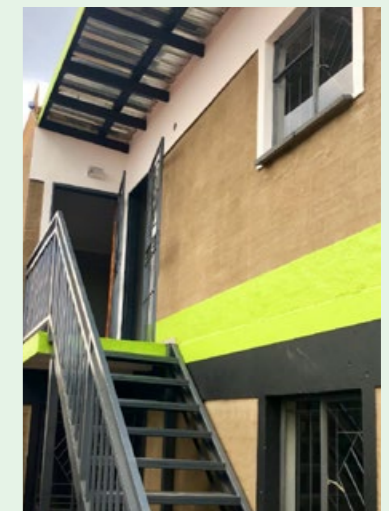
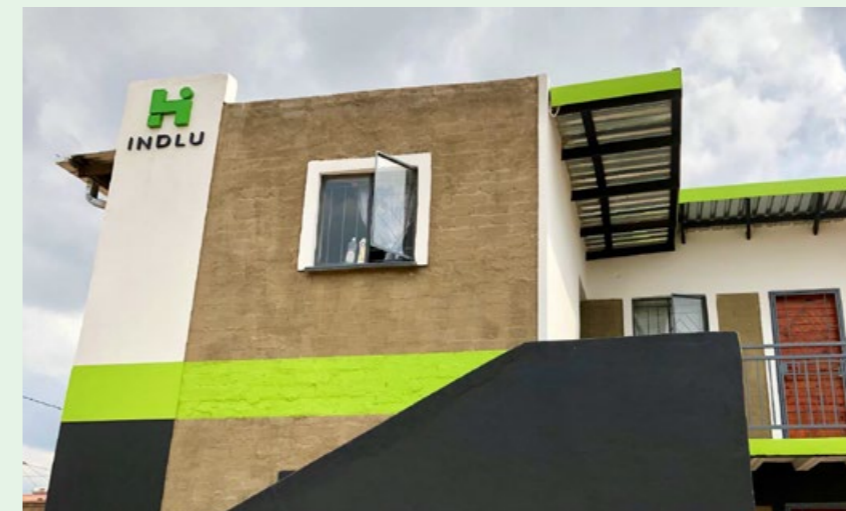
Innovative housing model to address housing shortages

Despite significant efforts from national, provincial and local governments in recent years, the need for suitable housing for poor or vulnerable urban individuals and families in SA continues to outstrip supply. One of the ways to address this situation is through the formalisation of so-called backyard dwellings.

Indlu is a backyard housing development and management company that is working to speed up the formalisation of the backyard land-use sector. Indlu uses an innovative mobile app that lets homeowners market their backyard dwellings, and enables prospective tenants to search for backyard accommodation that meets their needs, standards and budgets. Indlu also provides finance and management services to owners of serviced yards to help them erect suitable structures to generate a steady rental income. Builders from the local community are employed to develop the suitable unit on the property, typically completing the build within six months. Once developed, these income-generating assets are managed collaboratively by the Indlu team and the landowner, and a portion of the rental income is used to pay the development costs.

Progress in 2020

In addition to providing R80m in funding for the development of backyard units in 2019/2020, we are also hosting the payment mechanism built into the app, which operates on our payments ecosystem. From a construction point of view, while Covid-19 created unavoidable delays, the building of 43 Indlu-funded backyard buildings started during the year under review. The first eight of these were completed in January 2021. In addition, landlords of existing backyard dwellings who are using the Indlu app are seeing steadily declining vacancy rates. While these peaked at around 11% during hard lockdown, they have dropped dramatically since then, and stabilised around 6%, which is significantly lower than national vacancy averages in other sectors.





SDG 12:

Responsible consumption
and production

Khensani Nobanda, Group Executive: Group Marketing and Corporate Affairs

A sustainable world is not possible without the considered and sustainable use of resources. This calls for a significant paradigm shift. For too long, our economy has been structured in a linear chain of take, make and waste, and this linear economy is simply not sustainable. As a society we must stop wasting resources as this fuels further inequality. As a bank we need to help to facilitate this paradigm shift to a balanced economy – an economy that ensures that all in society have their needs met rather than contributing to the fulfilment of “wants” that are attainable only by the few. We need to work with our clients using finance and investment to prevent waste by reusing materials and by designing and making products that are meant to last and are easy to reuse and repair.

Khensani Nobanda,
Group Executive: Group Marketing
and Corporate Affairs

Key SDG 12 progress findings for 2020

Consumption and production drive the global economy, but also wreak havoc on planetary health through the unsustainable use of natural resources. The global material footprint is increasing faster than population growth and economic output. Improvements in resource efficiency in some countries are offset by increases in material intensity in others. A successful transition will mean improvements in resource efficiency, consideration of the entire life cycle of economic activities, and active engagement in multilateral environmental agreements. Specific challenges that require urgent attention include the following:

Continued unsustainable use of natural resources. The global material footprint (the amount of primary materials required to meet basic needs for food, clothing, water, shelter, infrastructure and other aspects of life) grew from 73.2 billion metric tons in 2010 to 85.9 billion metric tons in 2017, a 17.4% increase. Urgent action is needed to decrease our reliance on raw materials and increase recycling and circular economy approaches to reduce environmental pressure and impact.

Food wastage. The percentage of food lost after harvesting and during transport, storage and processing stands at 13.8% globally, amounting to over US\$400bn a year. Countries need to implement targeted interventions at critical stages of the value chain to reduce unnecessary food loss and waste.

Growing need to operationalise sustainable economic growth. Economic and financial instruments represent only 10% of all policies reported in 2019 and of all the policies that have quantified targets, 40% are aimed at reducing greenhouse gas emissions. Science-based evidence on sustainable consumption and production and data on policy impacts are crucial to ensuring effective action.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 12** in 2020 include the following:

SUPPORTING THE RECYCLING SECTOR

We continue to support a range of SA's prominent recycling businesses, with our most recent lend of R122m further increasing the installed capacity of Extrupet's recycling plants. The funding of a further polyethylene terephthalate (PET) recycling project is in the advanced stages of being negotiated with another key client in the sector. The growing demand for PET and high-density polyethylene (HDPE) resulted in Extrupet addressing the need for safe, affordable and premium recycled material. The facility is involved in the conversion of over three million PET and HDPE bottles per day into quality flakes and pellets. It successfully supplies high-quality recycled products that meet the rigorous food safety requirements of multiple local and multinational blue-chip manufacturers who understand the need for a sustainable solution to the waste issue. In addition, the company contributes to the green economy by creating employment for an extensive network of collectors who are able to support their families with the income earned in recycling.

Supporting FoodForward South Africa

We have partnered with FoodForward South Africa (FFSA) in a number of different ways, including support for their Second Harvest Programme, which encourages large commercial farmers to donate their agricultural surplus to address hunger and reduce the environmental impact by diverting good-quality edible surplus food. Reducing food waste and loss is also a highly effective solution for fighting climate change. During 2020, we provided a donation of over R1.5m that went towards FFSA's operational costs, effectively supporting the provision of over R1.7m meals. FFSA's work will also be bolstered by a R6m donation over a three-year period from the WWF Nedbank Green Trust. This funding will be used to enhance food recovery and food redistribution, while also tackling the issue of food waste in our food value chains.

FINANCING SUSTAINABLE
AGRICULTURE

To mitigate the risks and challenges for farmers associated with rising temperatures and lower rainfall we developed an innovative funding solution in 2019. It is designed to support farmers directly (or through a financing arrangement with their local cooperative) with sustainable farm interventions, ranging from water storage maximisation solutions and soil health interventions to cutting-edge irrigation equipment and shade netting to reduce evaporation.

We advanced a five-year R50m loan facility to Humansdorp Kooperasie, a client in the Eastern Cape. The first report from the client during the 2020 financial year showed significantly positive results for farmers who took the loan to implement these farming solutions.

In terms of production, there has been a 30% increase in pack-out percentage (a measurement for the amount of picked fruit suitable for export) for orchards protected against harsh conditions such as hail and strong winds. This translates to an increased on-farm revenue of R120 000 per hectare for the 2020 season. Resource consumption also showed a pleasing decline with average irrigation water usage among farmers that have installed shade netting decreasing by 20% season on season. This translates to a saving of 1.2 million litres of water per hectare.

On the back of this success, we concluded a similar agreement for another R50m shade-netting loan facility for Overberg Agri at the end of 2020, and we expect similar positive impacts for farmers in that region.

Ideafruit solar PV plant

In 2019, we structured an innovative R100m working capital finance facility to enable long-standing agrifluent Ideafruit to install a PV energy plant that enables the fresh produce exporter to refrigerate up to 70 000 bins of apples and pears in controlled-atmosphere cold rooms using the sun's energy. One year on, the solar plant at Ideafruit's Vyeboom facility is a great success and has saved the business about R1m in energy costs in 2020. In addition, the solar plant has prevented an estimated 778.5 tons of carbon emissions from being released into the environment thus far.

SHARING KNOWLEDGE FOR MAXIMUM IMPACT

We produce a range of sustainable development guides and publications that have been researched and produced in partnership with a number of highly regarded professional organisations and institutions. The guides can be downloaded for free from nedbank.co.za. We want to equip as many of our employees, clients and other stakeholders as possible to become more effective in optimising their positive impact. Guides that align with SDG 12 include the following:

- Smart Living Guide:**
Produced with the Sustainability Institute and the Green Building Council, this is an easy-to-read household sustainability guide that helps individuals and families to take decisive sustainability action in the vital areas of energy, water, waste and ecosystem health.



- Food Savers Guide:**
Produced by Nedbank in partnership with WWF-SA, the guide is a how-to guide for minimising food wastage and becoming a conscious consumer.





SDG 15: Life on land



Mfundo Nkuhlu, Group Chief Operating Officer

For Africans, land is life. It is not only a vital source of sustenance, dignity and opportunity but also a finite resource that requires nurturing and protection. Land can be effective in its life-giving role only if humans commit to being good stewards, living sustainably and caring for the land in ways that recognise that their lives literally depend on it. We are committed to support sustainable land reforms and to leverage our financial expertise and human resources to deliver on SDG 15 targets. The land-based resources that we are privileged to have access to need to be nurtured, protected and managed sustainably.

Mfundo Nkuhlu,
Group Chief Operating Officer

Key SDG 15 progress findings for 2020

Conservation of terrestrial ecosystems is not trending towards sustainability. Forest areas continue to decline at an alarming rate, protected areas are not concentrated in sites known for their biological diversity, and species remain threatened with extinction. Valiant efforts are being made to turn the tide, but to build back better following the global pandemic, gains need to be solidified and reinforced. Equally important is the need to foster awareness of the interconnections between people and the natural world to ensure more balanced coexistence. Specific challenges that require urgent attention include the following:

Wildlife crime endangers animal species and human health. A total of 75% of emerging infectious diseases, such as bird flu and Ebola, is zoonotic – they are transmitted from wildlife to people. Transmission occurs through human contact with affected wild animals and tends to happen when populations encroach on natural habitats and engage in activities that disrupt ecosystems, such as wildlife trafficking.

Forest loss remains high. The world's forest area continues to shrink, although at a slightly slower pace than in previous decades. From 2015 to 2020, the annual rate of deforestation was estimated at 10 million hectares, down from 12 million hectares over 2010 to 2015.

Less than half of key biodiversity areas (KBAs) are under protection. In 2020, on average, only 44% of each terrestrial and 41% of each freshwater KBA was within a protected area. Moreover, since 2010, the increase in coverage of KBAs by protected areas has slowed considerably compared with the previous decade.

Source: UN Sustainable Development Goals Report 2020

Nedbank's contributions to **SDG 15** in 2020 include the following:

PARTNERING WITH WWF-SA

For more than 50 years WWF-SA has been working to address SA's land, marine, water, food, climate and biodiversity or wildlife challenges. We previously partnered with WWF-SA on its Water Balance Programme for eight years, providing R12m in funding, as well on its Sustainable Agriculture Programme, investing R18m over six years.

In 2019 we entered an exciting new stage of our partnership with WWF-SA, which has subsequently grown into a five-year, R25m partnership for water source area conservation. The focus of this programme is on the protection and development of effective water ecosystems that consider the need to protect SA's essential water source areas, while at the same time creating opportunities for, and supporting, communities that rely on these areas for their livelihoods.

The partnership prioritises support for water security, reducing land degradation and improving local economic opportunities for rural communities in the Eastern Cape, which is home to the second-largest water source area in SA. The intention is to showcase the value of an effective water source partnership model and deliver valuable learning and insights that can be replicated nationally.



© WWF-SA

2020 progress

Despite the challenges posed by Covid-19 and the lockdown restrictions, significant progress was made in 2020.

Umzimvubu Catchment Partnership

This component targets the upper and middle catchment of Umzimvubu River in the Eastern Cape Drakensberg and Southern Drakensberg water source areas. Progress includes the following:

- **A dedicated convening function was established** to formalise the water source partnership, a water security project steering committee was established, and Environmental and Rural Solutions was appointed to compile a protected area management plan.
- **An updated five-year vision and strategy** (2019 to 2024) was completed and 10 conservation agreements were signed with grazing associations, covering 28 209 ha, within which 2 795 ha were officially rested in 2020.
- **Clearing of alien invasive trees** was somewhat constrained by lockdown restrictions, but 181 ha were cleared during the year, releasing 720 million litres of water back into the catchment system. Altogether 230 jobs were created from clearing or related activities, in conjunction with government's natural resource management funding.
- **Seven cattle auctions** were hosted this year in collaboration with Meat Naturally, Conservation South Africa and LIMA Rural Development Foundation, selling over 1 100 cattle and resulting in a turnover of R7,708m for the local participants.

Kouga and Sundays River Valley water source areas

This work is focused mainly on promoting the adoption of better production practices in key high-impact sectors such as fruit and dairy. Progress includes the following:

- **Development of a business case** to demonstrate the rationale for investing in sustainable practices in the dairy sector. This work brings together WWF-SA programmes on land, water and agriculture, and includes recommendations to minimise water use and greenhouse gasses and ensure soil health.
- **Scoping reports** were completed for the Kouga, Tsitsikamma and Outeniqua water source areas (including current water resource dependencies and impact, water infrastructure, local water governance structures and relevant stakeholders).

SECURING SA'S SIGNIFICANT ECOLOGICAL ASSETS

The WWF Nedbank Green Trust works to ensure that the country's many ecological assets are secured, managed and restored. The organisation also works in the Grassland biome, which is considered a national conservation priority. Some of the projects that form part of this commitment are as follows:

- **Restoring watercourses in the Renosterveld:** Renosterveld is one of the richest ecosystems in the world, due mostly to its extraordinary bulb diversity. However, 95% of it has been replaced by large-scale commercial agriculture, mainly wheat, barley and canola, which are rotated with oats and lucerne. The Nedbank Green Trust funded the watercourse restoration project, which partners with farmers and landowners to restore the health of these watercourses and prevent this unique habitat from otherwise inevitable extinction. Currently, around 50 farmers are participating in the project, and many have been invited to sign a conservation easement or memorandum of understanding with the Overberg Renosterveld Conservation Trust. Both agreements are tied to a detailed conservation and biodiversity management plan.
- **Wild honeybush farming in the Eastern Cape:** Honeybush grows in the Langkloof Valley, between the Tsitsikamma and Kouga Mountains in the Eastern Cape. It is harvested to make tea that is rich in antioxidants. The Green Trust is working closely with the farmers who own the land, and with the harvesters, to develop sustainable-harvesting plans and has thus far invested almost R2,85m into these vital sustainable honeybush farming partnerships. The project ultimately aims to demonstrate how valuable these wild areas are, and to boost water and biodiversity conservation and the livelihoods of the farmers and harvesters through this wild product. While the project is still in its early stages, the primary measure of its success will be its ability to identify and grow the market to sustain production at a standard that is ecologically valuable to secure the species and the biodiversity of the Fynbos biome.
- **Protecting SA's endangered species:** The WWF Nedbank Green Trust supports or runs various projects aimed at protecting these endangered species, including The WWF Black Rhino Range Expansion Project, Dogs For Rhinos – a canine-based anti-poaching initiative – and community-based natural resource management, a proven conservation approach that enables people and nature to reach shared goals. The investments by the trust into these initiatives are successfully creating targeted law enforcement capacity that would not otherwise have been possible with only state funding.



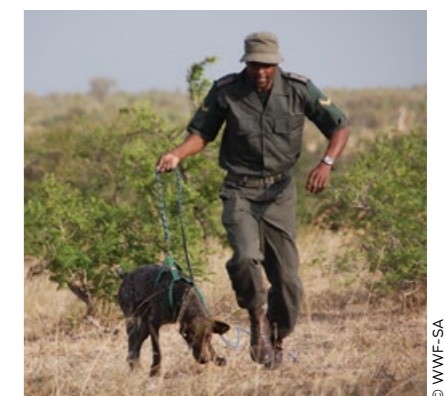
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Corporate social investment

The social upliftment needs in SA and the other African countries in which we operate are immense. To achieve meaningful impact with a relatively limited pool of CSI funds it is vitally important that we deliberately apply our CSI to ensure that projects are self-sustaining.

While the pool of available funds may be small, particularly when compared to the size of our lending portfolios, CSI is an important part of how we contribute to sustainable development. It addresses areas that we cannot easily support through our core business, and has the ability to provide the financial bridge needed to get projects to a state where they are sustainable in the long term.

The Nedbank Foundation is the primary CSI arm of the Nedbank Group and plays a key role in determining the CSI strategy and priorities of the broader group.

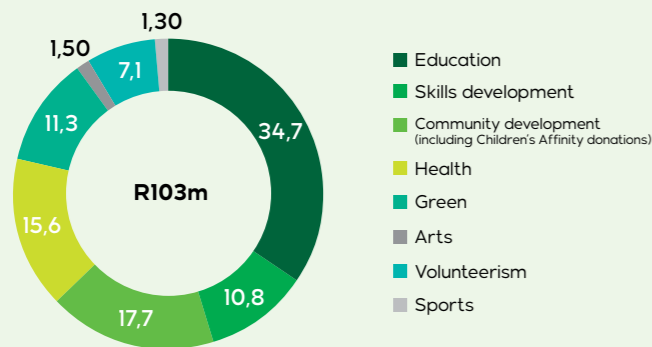


CSI SUPPORT IN 2020

In 2020, the total value of CSI support and investment delivered across our group was R103m (2019: R130m) with just over R16,5m redirected to Covid-19 relief activities. The drop in annual investment levels was due primarily to reduced contributions through our Eyethu Community Trust to higher-education initiatives. This was as a result of reduced dividends during the year and a very depressed Nedbank share price both compromising the availability of funds in the trust.

Investment outside of Covid-19 support was split predominantly across education and skills development, but also going into employee volunteerism, healthcare, community development and environmental development through the four Nedbank affinities and a range of other trusts and CSI funding vehicles.

TOTAL CSI (%)



Transforming our CSI strategy to increase our impact

We are committed to ensuring that our CSI programme and support stay relevant and effective. We understand that this requires ongoing evaluation of our strategy within the context of dynamic and fast-changing global and local socioeconomic environments.

Our most recent assessment process identified the need to redefine the overall CSI strategy of our group and reposition the role of the Nedbank Foundation within that broader strategy and the Nedbank purpose. The process was guided by one key question: 'How can Nedbank deliver on its purpose to do good in a way that maximises our social impact while creating value for all our stakeholders and our own business?' It resulted in the recognition of a need for a clear CSI 'anchor' – a sustainable and meaningful overarching theme around which the group's entire CSI strategy and approach could be designed.

After extensive research, investigation and stakeholder engagement, this Nedbank CSI anchor strategy was identified as the green economy. We believe the transition to the green economy will be a catalyst to unlock sustainable and scalable economic opportunities in SA. Through investing in initiatives, organisations and projects that align with this strategy we can meaningfully impact job creation, skills and education and entrepreneurship in sectors such as energy, water, waste and food.

The Nedbank Foundation has already begun a comprehensive assessment of all our current CSI initiatives against the green economy CSI anchor to determine which projects fit the new strategy. While this does not mean that all partnerships that do not directly align with the anchor strategy will be ended, the goal is to ensure that, over time, our total CSI spend goes towards supporting projects, programmes and organisations that align with our green economy strategy.

NEDBANK GREENBACKS

In 2019 the Nedbank Affinity Programme was integrated into the Nedbank Greenbacks programme, meaning that all Nedbank clients who are members of our Greenbacks programme can choose to support environmental and social causes through the WWF Nedbank Green Trust, The Nelson Mandela Children's Fund (NMCF), The Sports Trust or The Arts & Culture Trust. The more our clients use their products and adopt good financial behaviours, the more we donate to their chosen cause at no cost to them. The integration of the two programmes has proven to be a successful way of giving effect to our purpose to use our financial expertise to do good for individuals, families, businesses and society.

The process of linking the Nedbank Affinity Programme with Greenbacks resulted in some logistical challenges for both programmes and, when coupled with the significant impact of Covid-19 on many of our clients, an initial decline in financial support afforded to the trusts that are part of the Nedbank Affinity Programme was inevitable.

DONATIONS FOR THE 2020 FINANCIAL YEAR TOTALLED

R21,68m

(2019: R33,5m)

BROKEN DOWN ACROSS THE FOUR TRUSTS AS FOLLOWS:

<p>Green Affinity</p> <p>The Nedbank Green Trust</p> <p>R11,36m (2019: R20,3m)</p>	<p>Children's Affinity</p> <p>The Nelson Mandela Children's Fund</p> <p>R7,38m (2019: R8,5m)</p>
<p>Arts Affinity</p> <p>The Arts & Culture Trust</p> <p>R1,55m (2019: R2,4m)</p>	<p>Sport Affinity</p> <p>The Sports Trust</p> <p>R1,39m (2019: R2,3m)</p>



© Flower Valley Conservation Trust/DreamPix Photography

GREEN TRUST 30 YEAR CELEBRATION

In 1990, at a time when few companies were talking 'green', Nedbank recognised the centrality of the natural environment; that it underpins everything we are – the lives we live, the food we eat, the water we drink, the air we breathe, our economies, and our livelihoods. This led to their pioneering partnership with WWF-SA to create the WWF Nedbank Green Trust and put in place Africa's most sustainable, dynamic mechanism for supporting environmental issues at a time when there was limited understanding of this in the business world.

Thirty years later, in 2020, the WWF Nedbank Green Trust celebrates three decades of funding catalytic projects that have brought real change to the lives of South Africans and to the natural environment on which we all depend. The Trust is funded through the Nedbank Affinity Programme, which has raised more than R300m for over 200 community-based conservation projects.

30 Years of Foresight and Change



SDG 1: No poverty

END POVERTY IN ALL ITS FORMS EVERYWHERE

While extreme poverty has eased considerably since 1990, pockets of the worst forms of poverty persist. Ending poverty requires universal social protection systems aimed at safeguarding all individuals throughout their life cycle. It also requires targeted measures to reduce vulnerability to disasters and to address specific underserved geographic areas within each country.

Source: United Nations

We are impacting poverty levels positively through our lending towards related SDGs. Refer to pages 8 to 27.

Nedbank's contributions to **SDG 1** in 2020 include the following:

PROUD OF MY TOWN

Against the backdrop of the myriad of challenges facing our country, one of the biggest opportunities we have is to change the current trajectory of SA and play a part in unlocking the incredible talent, value and positive energy in our towns, townships and neighbourhoods. Proud of my Town (PoMT) is the way that we facilitate this with our implementation partner – Ranyaka Community Transformation.

In 2020 we invested R8,5m in this holistic community transformation initiative – delivering 104 projects and touching 20 651 beneficiaries in 13 communities in nine towns across seven provinces. These towns are as follows:

- Mamelodi-East, Tshwane (Gauteng)
- Boitekong, Rustenburg (North West)
- Mankweng, Polokwane (Limpopo)
- Kanyamazane, Nelspruit (Mpumalanga)
- Magaliesburg (Gauteng)
- Stellenbosch (Western Cape)
- Paarl (Western Cape)
- Zwide, Gqeberha (Eastern Cape)
- Umlazi, Durban (KwaZulu-Natal)



In each town PoMT focuses on the specific needs identified by the stakeholders for that area [for example, school support, early-childhood development (ECD)], building businesses or community safety). At its core, PoMT is based on the belief that collective, authentic engagement with civil society and the activation of local change agents at grassroots level has the potential to bring about positive transformation that is deep-rooted, systemic and sustainable.

WHY DO WE DO IT?

TO ACTIVATE COMMUNITIES TOWARDS RESTORATION, RESILIENCE AND GROWTH

A HEALTHY COMMUNITY HAS PLACES THAT ARE:



The approach is collective and involves partnerships with the communities that face immense challenges and obstacles every day. PoMT programmes include the following:

PROGRAMMES



PoMT is our contribution to supporting and strengthening the resilience of the towns, townships and neighbourhoods in which we do our business. In every place where the initiative is rolled out, we adopt a collective effort from the onset – initiating the convening of a diverse group of stakeholders to identify the challenges to be tackled and the opportunities to be harnessed in those places. A crucial part of the process is to create a common agenda – and provide a common sightline for all activities and projects in that specific area. Innovative and unique urban and spatial planning techniques that assist stakeholders in visualising proposed developments and programmes serve to strengthen the common agenda.

PoMT response to Covid-19 through enhanced community support

For the PoMT project team, the Covid-19 crisis served as reminder of the incredible power of strong place-based networks; the value of connection and collaboration and the importance of community networks. PoMT Covid-19 response interventions amounted to a total financial contribution of over R1m, which enabled the following:

- Distribution of over 1 000 food parcels to vulnerable households, and 74 ECD centre principals in six provinces received food vouchers.
- Over 2 000 preschool children at 71 ECD centres benefited from the donation of personal protective equipment (PPE) starter kits and Covid-19 protocol files.
- Donations to support public sanitiser projects as well as hand sanitisers to seven schools and 40 businesses.
- The equipping of two homeless shelters with necessary supplies, provision of stipends for volunteers as well as airtime and transportation for volunteers where needed.
- Creation and maintenance of six community gardens across PoMT nodes.

The Covid-19 pandemic also brought about the launch of a tailor-made enterprise support initiative to support survivalist and micro entrepreneurs who have been hard hit by Covid-19. The programme supported 59 entrepreneurs and small enterprises with vouchers, stipends, mentorship and marketing support.





SDG 2: Zero hunger

END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION, AND PROMOTE SUSTAINABLE AGRICULTURE

After a prolonged decline, world hunger appears to be on the rise again. The pandemic, conflict, drought and disasters linked to climate change are among the key factors causing this reversal in progress. Unfortunately, the rates of under- and over-nourished people worldwide have also increased. However, there has been some pleasing progress made to reduce market-distorting agricultural subsidies across the globe.

Source: United Nations

We are impacting agricultural and manufacturing practices positively through our lending towards related SDGs. Refer to pages 24 and 25.

Nedbank's contributions to **SDG 2** in 2020 include the following:

SUPPORTING FOOD SECURITY IN THE SMALLHOLDER FARMING AND INFORMAL-TRADING SECTORS

There are approximately two million smallholder farmers in SA and many of them rely on the land to feed their families, hopefully with some surplus to sell or trade. Given the importance of this sector in supporting large numbers of South Africans, the WWF Nedbank Green Trust and the Nedbank Foundation have proactively sought projects that look to bolster its resilience. Importantly, these projects are also going to share learnings between them, leveraging the impact of the funding. The projects are as follows:

- **Mahlathini Development Foundation** will use the R3m investment to work with 135 farmers in rural KwaZulu-Natal and the Eastern Cape to improve their agroecological farming practices to double their food production.
- **Lima Rural Development Foundation** is investing the R2,2m to work in the Eastern Cape to safeguard and rehabilitate springs and water infrastructure so that 3 000 community members, 600 households and a range of smallholder farmers have access to potable water for basic needs and food production.
- **Woza Nami** is piloting systems to address food security challenges with 350 farmers in a number of informal settlements in KwaZulu-Natal. The project aims to promote healthy food environments underpinned by agroecological farming in informal settlements. The WWF Nedbank Green Trust approved R1,4m along with investments from Spar and the DG Murray Trust to facilitate the work with eThekweni Municipality, the Southern Africa Food Lab, a number of universities, and businesses.



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SDG 3: Good health and well-being

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Many more people today are living healthier lives than in the past decade. Nevertheless, people are still suffering needlessly from preventable diseases, and too many are dying prematurely. Overcoming disease and ill health will require concerted and sustained efforts, focusing on population groups and regions that have been neglected.

Source: United Nations

We are impacting good health and well-being positively through our lending towards related SDGs. Refer to pages 8 to 27.

Nedbank's contributions to **SDG 3** in 2020 include the following:

SUPPORTING THE HEALTH AND WELL-BEING OF SOCIETY DURING THE COVID-19 CRISIS

The devastating impact of Covid-19 on all sectors of society required a significant, groupwide response from us, aimed at providing support to all our stakeholders impacted by the pandemic, including employees, clients and society at large.

The priorities we identified for Covid-19 support during 2020 were as follows:

- Looking after the health and safety of our employees.
- Protecting and supporting our clients and impacted stakeholders, such as suppliers.
- Humanitarian efforts – provisioning of food and hygiene items and care to the most vulnerable in society.
- Supporting healthcare workers – provisions for field hospitals and providing protective gear to healthcare workers.
- Giving logistical support to fight the virus, such as procuring ventilators, contact tracing and mobile testing.
- Promoting community awareness and education – using our platforms to drive awareness and safety with employees, clients and society in general.

The Asian Banker Transaction Finance Awards recognised Nedbank as the Most Helpful Bank during Covid-19 across Africa.

Aligned with these focus areas Nedbank Group provided support to the total value of over R16,5m to vulnerable people, families and communities, as well as frontline healthcare and essential services workers in SA. As our primary CSI arm, the Nedbank Foundation provided most of this support, but also played an invaluable coordinating role in terms of ensuring that Covid-19 support from across the group was distributed to those organisations most able to access and help those in need. Those organisations included Doctors Online, Doctors without Borders, World Vision, The South African Red Cross Society, Gift of the Givers, Solidarity Fund, The Aurum Institute and smaller local organisations across the country. Examples of the work undertaken by these organisations include the following:

- **Doctors Without Borders:** Supported the setup and operations of a field hospital in an indoor sports facility in Khayelitsha for isolation and treatment support of people with moderate Covid-19. Funds were also used for the provision of PPE to healthcare workers and contact tracing and the distribution of hygiene packs to 2 000 homes, benefiting over 8 000 individuals.
- **World Vision:** Funded food relief for over 6 000 individuals across the country and set up seven homework clubs for learners from all grades and funded distribution of learning materials for grade 12 learners.
- **The South African Red Cross Society:** Our support enabled Red Cross Covid-19 relief efforts across nine provinces. These included the provision of PPE, a volunteer network of over 2 000 to raise public awareness, and the provision of thousands of food parcels, blankets, mattresses and water tap buckets.



Bolstering our own contributions to the Solidarity Fund, we made it easy for employees and clients to make their own donations through our website, Online Banking, and mobile apps, with R160m donated through these channels. In addition, we facilitated the distribution of R300m from the R1bn South African Future Trust.

The Nedbank Africa Regions team also played its part in helping to support people and communities in the face of Covid-19.

- **Nedbank Namibia** donated N\$2m to support various Namibian government Covid-19 support initiatives.
- **Nedbank Swaziland** contributed E200 000 to the eSwatini government's National Disaster Management Fund, provided sanitising equipment to the Mbabane Government Hospital and contributed materials to help with screening and testing in eSwatini communities.
- **Nedbank Zimbabwe** donated ZWL1,2m to various hospitals in Harare and Bulawayo, the Business Fighting Covid-19 Trust and the University of Zimbabwe.
- **Nedbank Lesotho** contributed M250 000 towards the fight against Covid-19 as part of the Bankers Association of Lesotho and Central Bank of Lesotho initiative. The bank also donated PPE to the Morija Scott and St Joseph's Hospitals to support their frontline workers.



With over 6 000 suppliers in our procurement network, we recognised that we had a vital role to play in helping these businesses, many of them SMMEs, to survive the economic impact of Covid-19 and the lockdown. To assist them, and all our business clients, we committed to a 30-day payment period, in line with our established support of the #Payin30 initiative. As a result of this commitment, during the 2020 financial year, 92% of our SME suppliers were paid within 30 days, and 35% of these payments were made within 10 days, to alleviate cashflow burdens. This culture of responsible payment terms is a key lever of sustainability to help ensuring the survival of SMEs and the preservation of jobs.

Further, as part of our commitment to our suppliers, all our PPE requirements were procured from businesses already on our preferred supplier list to bolster their revenues, while those of our suppliers performing essential services were helped to obtain permits for their employees to minimise disruptions.

Lastly, we also have numerous business tenants that rent retail or office space in our various buildings. Many of these tenants are fully dependent on Nedbank employees for their trade, so we provided them with a range of rental relief options to assist them through this difficult time and stay in business.

Nedbank Children's Affinity

Since 2005 we have partnered with the NMCF to work together towards realising Nelson Mandela's dream of giving SA's children the best chance for a good future. In line with our support of SDG 3 and through the Nedbank Children's Affinity, we support various NMCF health and wellness programmes directly, in particular those aimed at improving the health of pregnant women and reducing the mortality rates of children in the first five years of their lives. Many of these programmes were required to shift their focus specifically to protect vulnerable children during the Covid-19 pandemic. Of particular importance during this period was ensuring that the **Nelson Mandela Children's Hospital** continued to provide essential services and was able to operate at full capacity during lockdown. Its main priority is to protect its young patients (including long-stay patients and out-patients) from the virus and funding was made available to ensure this was possible.



SDG 4: Quality education

ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

More than half of the children and adolescents worldwide are not meeting minimum proficiency standards in reading and mathematics. Refocused efforts are needed to improve the quality of education. Disparities in education along the lines of gender, urban-rural location and other dimensions still run deep, and more investments in education infrastructure are required, particularly in developing nations.

Source: United Nations

Nedbank's contributions to **SDG 4** in 2020 include the following:

In the year under review, the Nedbank Foundation invested a total of R35,4m in education, with R13,4m (2019: R30,9m) going into basic education projects and R22m (2019: R38,4m) providing tertiary education support and bursaries. The decline in education spend in 2020 was due primarily to reduced funds available from our Eyethu Community Trust as well as many of our partners in education not being able to implement projects due to Covid-19.

TERTIARY INTERVENTIONS

Research Chairs Initiative

We have partnered with the National Research Foundation and individual universities (in some cases) to help strengthen the international competitiveness of South African universities through the provision of funding for research chairs. The value of strong university chairs is well documented in terms of the ability these positions have to strengthen and improve the research and innovation capacity of tertiary institutions, help produce high-quality postgraduate students and enhance research and innovation outputs. Supported positions include the following:

Cape Peninsula University of Technology	Chair in Cardiometabolic Health	Western Cape
Wits University	Chair in Energy Materials	Gauteng
Sefako Makgatho Health Sciences University	Chair in Substance Abuse and Population Mental Health	Gauteng
University of Forte Hare	Chair in Financial Markets	Eastern Cape
University of Walter Sisulu	Chair in Sustainable Rural Development	Eastern Cape
University of the Western Cape	Distinguished Fellow in Taxation	Western Cape

Between 2017 and 2027 we will have invested R26m in this initiative, with an average of R2,6m paid each year.

Ikusasa Student Financial Aid Programme

The Ikusasa Student Financial Aid Programme (ISFAP) was established in 2016 to develop a sustainable funding model to help SA's so-called 'missing middle', or families with a combined monthly income of less than R40 000, cover the high costs of accessing education. We continued to support the ISFAP through the Eyethu Community Trust, by contributing R16,5m to the 2020 student applicants (2019: R7,5m). The funding is split between undergraduate and postgraduate bursaries, and is used to cover everything from tuition, books, accommodation and transport to medical and psychological care, mentoring, tutoring, guidance and a monthly allowance.



PRIMARY- AND HIGH-SCHOOL INTERVENTIONS

Partners for Possibility

Partners for Possibility (PfP) is the flagship programme of Symphonia for South Africa NPC, a national, cross-sector initiative that drives development in SA's basic-education system.

PfP helps schools tap into the country's pool of well-trained business leaders who have valuable knowledge and experience in leading change and managing teams. These individuals are partnered with school principals in a facilitated and structured development process, giving principals and school leadership the kind of support that they need to lead their institutions with confidence.

In 2020 the programme again saw marked increases in the confidence and leadership style of the principals as well as meaningful changes in the strategic perspective and leadership styles of the business leaders despite the impact of Covid-19 requiring some adjustment to the partnership model.

This year we directly impacted the six principals with whom our Nedbank leaders partnered and, in turn, had a positive knock-on effect on the quality of education provided by an estimated 120 teachers and 3 600 learners.

We have invested R6,7m in PfP since 2017. PfP is one of our key leadership development programmes, as leaders of ours who have participated in the programme return with a renewed passion to make a difference in SA, a better understanding of the South African context and as such the role of a bank in that society, improved engagement and mentoring skills, and a more developed sense of empathy.




The Nedbank Private Wealth Educational Foundation

The Educational Foundation supports maths and science learning at secondary-school level and includes a teacher development programme as well as the provision of extra tuition. Improvements in matric results are used as the measure of the programme's effectiveness. During the pandemic, discretionary grants were provided to existing partner organisations to assist them with operating expenses. In partnership with the National Education Collaboration Trust, the Educational Foundation repurposed a further R1m towards maths and science teacher development for the curation of educational content and material for distribution via online channels. At the end of 2020, the Educational Foundation's support amounted to R3,3m (2019: R4,2m).

Learnerships, internships, graduate programmes and bursaries

Learnerships, internships, graduate programmes and bursaries are key vehicles through which we are helping to address SA's skills shortages and, at the same time, deepen the talent pool in our organisation.

 Please refer to our People Review for more detail.



SDG 14: Life below water

CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Advancing the sustainable use and conservation of the oceans continues to require effective strategies and management to combat the adverse effects of overfishing, growing ocean acidification and worsening coastal eutrophication. The expansion of protected areas for marine biodiversity, intensification of research capacity and increases in ocean science funding remain critically important to preserve marine resources.

Source: United Nations

 We work to address freshwater, waste, life on land and production and consumption challenges that impact SDG 14 through our lending and stakeholder engagement activities. Refer to pages 10, 24 and 25 for more information in this regard.

Nedbank's contributions to **SDG 14** in 2020 include the following:

We have limited direct influence over this goal, given our operational focus, strategic direction and the small number of clients that we have in this sector. From an indirect perspective, however, we acknowledge that we can support our clients to reduce risks to the oceans in the area of waste streams, for example, and this work aligns with SDG 12. From an operations perspective we address potential negative impacts through our Social and Environmental Management System (SEMS) and from a CSI perspective we invest in ocean-related projects through the WWF Nedbank Green Trust. Some these projects are outlined below:

• The South African Marine Protected Areas Network

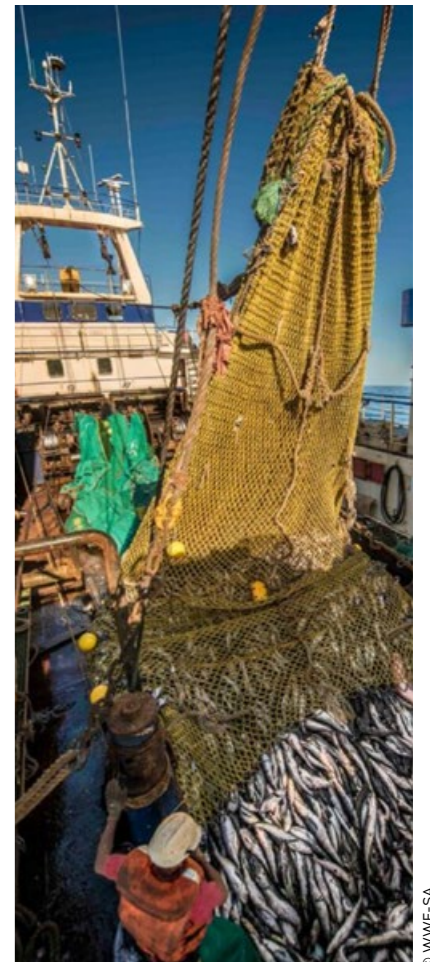
Over a number of years, the WWF Nedbank Green Trust has provided catalytic funding for marine protected areas (MPAs) in the amount of R3,89m. In 2020, the trust approved a new round of funding for the SA MPA network project (Sampan). This project seeks to take MPA expansion another step forward by working towards protecting SA's 150 marine ecosystems and ecologically and biologically significant areas. A key targeted outcome of this work is to improve participation by various stakeholders in related government processes and capacitate these stakeholders as well as the Department of Environmental Affairs to prevent delays in taking action that will secure the future success of MPAs. Sampan will also partner with the West Indian Ocean Protected Areas Network, so that all the countries involved, including the coastal states up the east coast of Africa and the Indian Ocean island states, can benefit from the network's shared research and resources.

• Boat-based marine tourism

The WWF Nedbank Green Trust, in partnership with the Nature's Valley Trust (NVT) and the Nelson Mandela University's Institute for Coastal and Marine Research, has launched a project called Developing and Assessing Sustainable Boat-based Marine Tourism. In the marine environment whale and dolphin watching is the fastest-growing tourism sector in the world, creating economic, social and environmental benefits. This project, which has thus far received trust funding to the value of R2,06m, aims to track these benefits in the South African context and determine the viability and potential of environmentally responsible boat-based marine tourism.

• Safeguarding seabeds

The Safeguard our Seabed project is a collaborative project between the Centre for Environmental Rights and WWF-SA, which has provided funding to the tune of almost R2.6m with the aim of securing the long-term ecological integrity of SA's offshore marine habitats. The Safeguard our Seabed Coalition, which was established in 2015, includes organisations that represent the interests of commercial and small-scale fishing, organised labour and environmental justice organisations. The main objective of the coalition is to pursue a moratorium, or ban, on marine phosphate mining in SA.



© WWF-SA



6 Nedbank's purpose, **to use its financial expertise to do good for individuals, families, businesses and society**, is clearly reflected in its People Strategy. From a people perspective, the challenges posed by the Covid-19 pandemic became an accelerator of change to our people practices and business transformation in many ways. Our People Strategy has always been clear on its vision to position Nedbank **as an employer of choice that builds, attracts and retains critical talent and skills**, and the disruptions brought about by the pandemic, the decline of the local economy, and other shaping forces demanded that we re-evaluate it. We developed the People Strategy to increase our competitive advantage and unlock value for our larger agenda; the agility with which we pivoted in response to the pandemic is evidence of our commitment to our purpose and People Vision. Despite the many hardships and challenges presented by Covid-19 throughout 2020, opportunities have arisen for Nedbank to emerge stronger than before. 9

Deb Fuller, Group Executive: Human Resources



The People Review provides an overview of the challenges and highlights from a Nedbank employee perspective in 2020. The Covid-19 pandemic became a catalyst for change in the way we work and live – the world as we now know it no longer resembles anything we considered 'normal' in 2019. The pandemic called for a re-evaluation of how we do business, what clients and employees expect, and where and how we work. We had to review our business operations and people practices in the face of the unprecedented levels of uncertainty about the future – a future influenced by the rate of economic recovery and digital transformation on one side, and a redefined set of human expectations and needs on the other.

In the global context SA has an even lower likelihood of full economic recovery by 2023 and has seen an unparalleled increase in unemployment, which indicates tougher times ahead for employers and employees who are at the centre of a changing and uncertain world. We need intensified support for the well-being of our employees, as concerns about physical, mental and financial well-being continue to escalate globally. In 2020 we amplified our support for a healthy workforce to protect employee well-being, engagement and productivity. The employee benefits were reviewed, together with the required Covid-19 protocols, to promote the safety and security of our employees and support the resilience of our business during the pandemic.

A more virtual, dispersed workforce poses new challenges to leaders, such as the need to develop their capabilities in leading large-scale change and motivating employees remotely. The realities of our new world of work demand a far more agile organisational design with flatter structures made up of a more flexible, blended workforce.

Continuous learning is no longer optional, but a critical business strategy for survival of the organisation and the longevity of our employees. Digital learning is at the centre of our new employee value proposition (EVP).

Developing our employees through upskilling and reskilling remained a main focus area, as evidenced by the R924 383 068 spent on annual skills development.

Advances in the provision of digital learning platforms went from being a work in progress to being accelerated by the Covid-19 pandemic, and our employees embraced the opportunities to upskill and reskill themselves on these platforms.

During 2020 the well-being and safety of our employees became a higher priority than ever before, and we are saddened by the loss of nine colleagues who succumbed to Covid-19. Despite the strain that the Covid-19 pandemic placed on our employees, employee volunteerism activities continued and our purpose of doing good impacted the lives of many beneficiaries. Our EVP, referred to as the People Promise, became a reality, with our employees rising to the challenge to #BeTheDifference. Despite the working-from-home arrangement, there was a significant increase in the recognition of employees through both the formal and informal recognition programmes.

This updated 2020 context and Nedbank's digital transformation journey presented several challenges and opportunities and we had to increase our efforts to:

- reset our **operating model and organisational design**, delivering for not only greater agility and efficiency, but also effectiveness for our clients and employees;
- reframe our **organisational culture** and therefore the **lived employee experience**;
- **support a hybrid physical-digital workplace** while preserving the mental and physical well-being of our employees; and
- reprioritise the elements that make up the psychological contract with our employees that centres around their **well-being**.

The year 2020 posed unprecedented challenges to organisations globally. During this time, however, Nedbank stepped up and continued to deliver on its purpose of using its financial expertise to do good for individuals, families, businesses and society.

People highlights for 2020

The Covid-19 pandemic tested the agility of our people practices and our ability to deliver on projects and continue to serve our clients. We are proud of the adaptability demonstrated by our employees working onsite to serve our clients under challenging circumstances and those who seamlessly moved to working from home, as well as of our technology teams that supported them through this transition.

Notwithstanding the challenges presented by the pandemic, we laid essential foundations for leaders to lead with purpose for a reimagined, more competitive Nedbank. Some of the people highlights for 2020 are as follows:

- The achievement of a level 1 BBBEE status reflects a culmination of Nedbank's ongoing commitment to sustainable transformation in an exceptionally challenging environment. Our focus remains on heeding the call of President Cyril Ramaphosa to support the national agenda and take the lead in transformation as we repurpose the economy for growth.
- The launch of the Nedbank EVP in January 2020 (referred to as the People Promise) was embraced by employees, as we continue to align our people practices to reinforce the EVP. Ongoing, regular employee surveys were carried out to measure the employee experience at least three times a year. The first Employee Insights Pulse Check ran in November 2020 and 85% of the participating employees indicated that they were proud to work at Nedbank.
- In line with our People Promise, significant progress was made with talent mobility, as we provided 9,7% of our employees with the opportunity to move within the organisation through promotions and crosscluster or divisional transfers.
- While many of our employees were able to seamlessly continue in their roles remotely, employees in the essential-workforce category continued to serve our clients onsite on a rotational basis. Employees who were not able to perform their normal duties for various reasons were granted special leave while earning their full salaries during 2020.
- Family responsibility leave criteria were relaxed specifically to accommodate working parents who had to undertake homeschooling and home care.
- An interim work-from-home policy was introduced to provide clear guidelines to all impacted employees and their line management during the national lockdown period.
- Nedbank has increased its representation of underrepresented groups across senior-, middle- and junior-management levels, evidencing its commitment to transformation despite a total permanent headcount decrease of 2 925 over the past three years. It is pleasing to note a year-on-year (yoy) improvement in the demographic representation of our workforce, as well as a significant reduction in the attrition of African talent through ongoing deliberate retention efforts.
- The Nedbank leadership philosophy and Human-centred Leadership Framework was refined to further support the necessary culture shift.
- The annual skills development spend was R924m (2019: R760m), an investment aimed at upskilling and reskilling our employees.
- We achieved 15,99 skills development points (2019: 15,67), which exceeded our 2020 target of 11,50.
- In 2020 the Nedbank Education Trust awarded bursaries to 131 students (2019: 97) to the value of R18,1m for the academic year (2019: R12,5m).
- A refreshed leave policy and practice was implemented for alignment with our People Promise and to motivate employees to take regular leave to maintain their well-being. This enabled us to manage leave on our balance sheet sustainably, which resulted in a decline in leave provisions from September.
- In our efforts to become more digital, we invested in new digital solutions to reset our employee experience, specifically in our digital learning and online recruitment practices.
- Nedbank facilitated the absorption of 17,8% Youth Employment Service (YES) youth (2019 intake) against a target of 2,5% across our partners, which resulted in permanent employment for 593 previously unemployed youth.

ACHIEVED
level 1
BBBEE
STATUS

LAUNCH
OF THE
Nedbank
EVP

9,7%
TALENT MOBILITY

Special leave
IMPLEMENTED

INTRODUCED
work-
from-home
POLICY

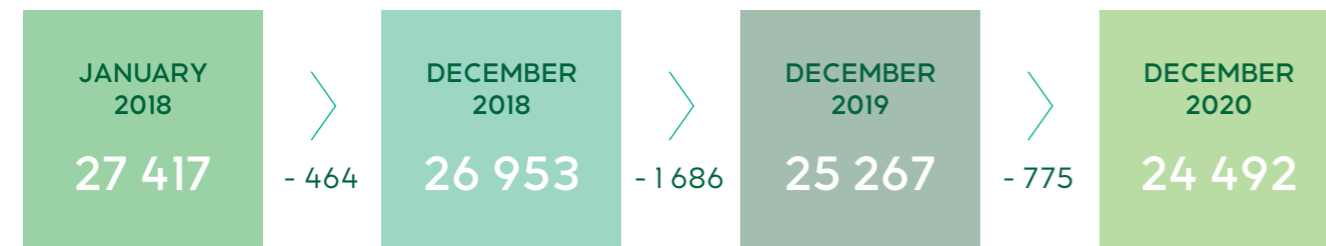
Increased
UNDERREPRESENTED
GROUPS

SKILLS
DEVELOPMENT
SPEND OF
R924m

AWARDED
131
BURSARIES

Our workforce and headcount movement in review

We continue to evolve our organisational design and business model to be more client-focused, digital, agile and competitive, and focus on including young talent in our drive for innovation. Below is a comparative snapshot of the size of our South African permanent workforce over the past three years.



Over the past three years Nedbank has reduced its permanent workforce by 2 925 employees. The reduction in headcount during 2020 can be attributed to natural attrition and responsible management to mitigate the impact on our workforce as far as possible. This is evidenced by the following:

- An attrition rate that is higher (7,12%) than the recruitment rate (2,86%).
- A year-on-year decrease in the number of employees who were retrenched, notwithstanding the total headcount reduction (2020: 18 vs 2019: 158), with the 2020 retrenchments relating to changes in operational requirements and not the Covid-19 pandemic.
- An ongoing increase in our investment in the reskilling and upskilling of our employees and filling available vacancies internally, where possible.
- A total of 234 employees having been redeployed to new roles within the organisation.
- A reduction in external hires from 1 004 (2019) to 712 in 2020.

Global trends indicate a growth in the contingent workforce, while there is a gradual reduction in permanent positions. Nedbank's workforce profile has followed suit and has become more blended over the past three years.

A breakdown of our year-on-year workforce movement (2018 to 2020)

	2020	2019	2018
SA permanent employees at the beginning of the year	25 267	26 953	27 417
Recruitment	712	1 004	1 934
Reclassification of employees (changed to permanent)	309	175	383
Terminations (actual year to date)	1 770	2 840	2 734
Resignations	1 047	1 840	2 056
Deaths	48	29	46
Dismissals	280	306	241
Retirements	262	349	255
Retrenchments	18	158	23
Emigration	29	43	28
Disability	79	81	71
Other*	7	34	14
Reclassification of employee category (changed from permanent)	26	25	47
SA permanent employees at the end of December	24 492	25 267	26 953
Permanent headcount change on previous year	(775)	(1 686)	(464)
Additional employee categories			
Contractors and financial planners	1 059	955	981
Temporary employees**	8	190	400
International employees (including Nedbank Africa Regions)***	2 659	2 929	2 878
External entities	61	62	65
Non-payroll contingent workforce	608	171	339
Total number of employees at 31 December	28 887	29 403	31 277
YES programme participants in Nedbank	-	239	-
YES programme participants with Nedbank partners	-	1 390	-
Total number of employees, including YES programme	28 887	31 032	31 277
Attrition rate (%)****	7,12%	10,80%	10,00%

* Includes employees who exited with reason undefined.

** Reported on the basis of full-time equivalents - on Nedbank payroll.

*** Reporting of employee information is subject to country-specific legislation.

**** Total permanent terminations in all categories, divided by the average permanent headcount for the reported period.

In 2020 Nedbank operationalised the SAP Fieldglass system to enable the management of the contingent workforce. This system refined our classification and introduced new categories for reporting our non-payroll contingent workforce, which resulted in a higher number in the contingent-workforce line (2019: 171).

Our focus on positioning Nedbank as an employer of choice, combined with the uncertainty experienced in 2020, led to a significant reduction in resignations (2020: 1 047 vs 2019: 1 840), resulting in an attrition rate of 7,12% (2019: 10,8%). The voluntary-attrition rate based on the average headcount of 2020 is 4,33%, with a 0,55% voluntary-regrettable-attrition rate (140 employees) reported. This included high-performing as well as performing employees from underrepresented groups.

During 2020 there were 48 deaths, which included nine employees who succumbed to Covid-19.

ATTRITION RATE OF
7,12%

Nine
EMPLOYEES SUCCUMBED
TO COVID-19

Employee terminations by age group

Age	Average number of employees		Number of terminations		Attrition by age group	
	2020	2019	2020	2019	2020 %	2019 %
< 20	-	15	-	-	-	-
20-29	2 663	4 988	226	621	8,5	12,4
30-39	10 595	11 041	768	1 160	7,2	10,5
40-49	7 113	6 547	350	529	4,9	8,0
50-59	3 889	3 440	205	317	5,3	9,2
60-69	602	274	221	213	36,7	77,7

Note: All termination categories are included in the attrition percentage in the tables above. The attrition shows the average net loss to the organisation.

The highest attrition rate was in the 60-69 years category, which is the normal trend given the number of employees in that age group who retire.

In 2019 there were 15 employees in the under-20 category as part of the YES programme. However, the programme, which was planned to start on 1 May 2020, was postponed due to the Covid-19 pandemic.



Culture that unlocks value for our clients

INTRODUCTION

Purpose-led organisations have a distinct advantage during times of uncertainty and disruption. Nedbank has established itself as a purpose-led, values-driven and people-centred organisation.

As we continue on our journey to create a culture that enables our purpose and vision, we acknowledge that elements of our culture must shift to enable our strategic aspirations and improve our competitiveness. Towards the latter part of 2019 we articulated our required culture and in 2020 we laid down critical building blocks aimed at resetting our culture when we:

- launched our People Promise (EVP);
- developed and launched a new employee insights strategy;
- developed the new Human-centred Leadership Framework and strategy; and
- further evolved our performance management and recognition practices to support culture change.

EMPLOYEE INSIGHTS STRATEGY

Before 2020 Nedbank obtained employee feedback through the Barrett Values and Compass surveys, each of which was conducted biannually. As the world evolves, relying solely on annual or biannual employee insights is no longer feasible. These surveys played a critical and positive role in our culture journey, but were no longer fit for purpose. In line with Nedbank's new Employee Insights strategy, a decision was taken to discontinue both surveys.

New employee pulse surveys were developed to enable more frequent, real-time employee insights to measure the 'pulse' of the organisation. Our new survey technology offers real-time natural-language processing, driver analyses and immediate results in a user-friendly and interactive dashboard.

At business and team level we want to remain responsive and empower conversations and actions to improve the employee experience. At organisational level we aim to use the collective voice of our employees as critical input into the reset of our culture and employee experience and track trends over time.

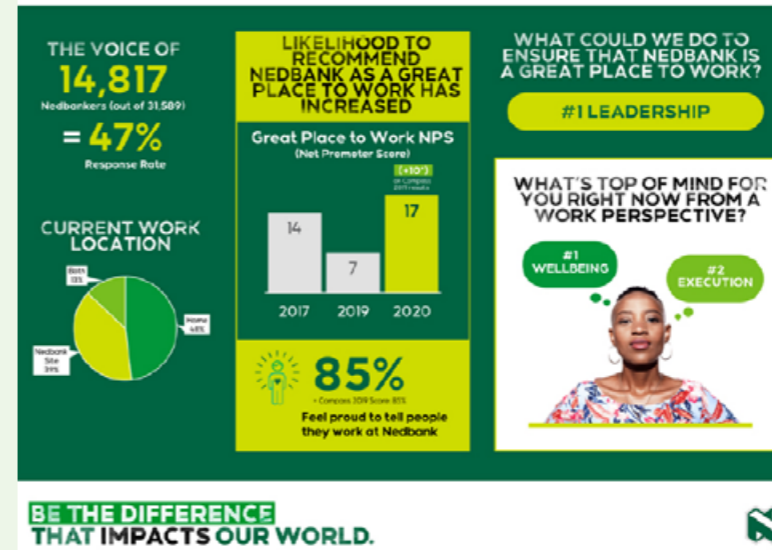
The Employee Insights Pulse Check is just one element of our Employee Insights strategy and aims to establish continuous feedback by building a landscape of employee insights that leverages multiple data points. This integrated insights landscape will track our delivery against the People Promise and enable leaders to navigate towards our required culture.

Our first Employee Insights Pulse Check took place from 16 to 30 November 2020 and 14 817 Nedbankers shared their views (47%) (Compass, 2019: 20 330 – 68%). The lower participation percentage can be attributed to insufficient time for communication to employees, the timing of the launch (end of the year), and employees not being sure what to expect from the survey.

The organisation has already provided feedback to employees through various forums and we are confident that participation will increase in 2021 once employees have become more familiar with the regular surveys.



EMPLOYEE INSIGHTS PULSE CHECK NOV 2020 SNAPSHOT



Key insights from our November Pulse Check include the following:

- Despite the challenges experienced in 2020, our Great Place to Work Net Promoter Score (NPS) increased significantly to 17 (Compass, 2019: 7). Of the participants, 85% agreed and strongly agreed that they were proud to work at Nedbank.
- From a strategic perspective, 85% of the participants felt that they saw good use of technology to improve internal efficiency.
- A total of 82% of participants believed that they were always able to learn something new at work, which is in line with the learning culture we are reinforcing.
- A total of 79% of participants believe that decisions were made with the client in mind and, while this is an improvement on our Compass 2019 result of 75%, we believe there is even more room for improvement.
- A total of 74% of participants agreed and strongly agreed that we value diverse backgrounds, talents and perspectives in our business areas. Although encouraging, we believe that more can be done towards building an inclusive culture – this is a key focus for us in 2021 and beyond.
- In some areas decision-making was too slow and not all people felt they were able to challenge the status quo. These items give us our lowest scores of 59% and 55% respectively. Although both scores have increased from the Compass 2019 results of 55% and 46% respectively, they highlight ongoing areas for improvement. Our efforts towards developing organisational agility and other strategic projects will, in part, resolve these issues.
- Well-being and execution were top of mind for participants, which is understandable in the current Covid-19 pandemic context.
- There is a call for managers to engage more with employees, be equitable in their practices and the application of policies, and be more empathetic and supportive, among other suggestions. Many people also acknowledged their leaders and expressed gratitude for Nedbank's people-centred response to the Covid-19 pandemic. Our new Human-centred Leadership Framework, which was developed in 2020 and launched in January 2021, will provide a platform on which to have a more robust conversation about leadership and to ensure that we build the leadership capability we need.

The work completed in 2020 has validated the culture shifts we need to become more client-centred, digital, agile and competitive in a fast-changing world. Our People Promise serves as a cornerstone of our required culture and has already taken a firm root in Nedbank.

OUR PEOPLE PROMISE

Our People Promise (EVP) was launched successfully in January 2020 and received positive feedback from Nedbank employees. It continues to be the basis for engagement with our employees about matters that are important to them and on what makes them proud to work at Nedbank. The People Promise has been communicated across the organisation and calls on all employees to unite behind our purpose and challenges all to 'Be the difference that impacts our world'. **We ask our clients to see money differently. For them to be able to do this, our employee experience needs to empower our people to think and act differently and deliver a unique client experience. Our People Promise speaks directly to this.**

We have started to embed our People Promise as we transform our people and organisational practices.

NPS INCREASED
SIGNIFICANTLY TO
17
(COMPASS, 2019: 7)

82%
OF PARTICIPANTS
BELIEVED THAT THEY
WERE ALWAYS ABLE TO
LEARN SOMETHING NEW






79%
OF PARTICIPANTS BELIEVE
THAT DECISIONS WERE
MADE WITH THE
CLIENT IN MIND

74%
OF PARTICIPANTS AGREED
AND STRONGLY AGREED
THAT WE VALUE DIVERSE
BACKGROUNDS, TALENTS
AND PERSPECTIVES



2020 PEOPLE PROMISE HIGHLIGHTS

The Nedbank People Promise has the following themes:

<p>Purpose-led</p>  <p>Our purpose is clear: to use our financial expertise to do good.</p>	<p>Service excellence</p>  <p>We are one team and we deliver world-class service with purpose.</p>	<p>High performance</p>  <p>It's in our nature to look at the world differently. Our purpose fuels us to make an impact and this drives us to perform better, work smarter and reach higher.</p>	<p>Growth and development</p>  <p>Growth comes from striving to be a better version of ourselves each day.</p>	<p>Diversity and inclusion</p>  <p>We strive to create a culture of inclusion and belonging.</p>
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The five themes of our People Promise, with Purpose-led being our core theme, form the basis for engagement with our employees. During 2020 the following related to our People Promise:

<p>Purpose-led</p> <p>As the world around us suddenly changed, so did our world at Nedbank. Employees were asked not only to #BeTheDifference by continuing to deliver with purpose, but also to continue taking the lead in helping to flatten the curve of the Covid-19 pandemic by following health protocols while remaining connected with their loved ones, each other and our clients, regardless of where they were working from.</p>	<p>Service excellence</p> <p>Financial services are considered an essential service and many of our employees continued to do good for our clients in face-to-face settings at the height of the pandemic, while others continued delivering service excellence by working remotely from home.</p>	<p>High performance</p> <p>To ensure we continue to deliver with impact, we introduced an 'ideas platform' for Nedbankers to join our #BeTheDifference movement and let us know how we can live our purpose and help our clients manage their money better and improve performance. At the end of December 2020 we had 4 881 users on the ideas platform, 223 ideas submitted, 842 comments, 1 235 votes for ideas and 17 ideas that had been implemented.</p>	<p>Growth and development</p> <p>We launched our Voices of Impact: Influencer Series to share the stories of 'difference-makers' to create learning opportunities for Nedbankers. Due to Covid-19, employees working in hospitality at Nedbank were significantly impacted by no or low demand for the work that they do. The Nedbank Talent team helped 48 hospitality colleagues to reimagine their career possibilities through assessments of their career interests and giving feedback on their strengths and development areas and how they could use them to open up new career possibilities. Additional assistance was provided on personal branding, compiling a CV, interview skills and publishing an online profile.</p>	<p>Diversity and inclusion</p> <p>We continue to promote diversity, equality and inclusion by supporting and appreciating our diverse Nedbank family through our #IStandUp movement.</p> <p>Just as the People Promise challenges our employees to #BeTheDifference, our human-centred leadership approach challenges leaders to #LeadTheDifference.</p>
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A HUMAN-CENTRED LEADERSHIP APPROACH

Our People Promise clearly defines the essence of what it means to work at Nedbank. In a similar vein, we needed to define what it means to be a leader at Nedbank. The outcome of a highly collaborative co-creation exercise with our leaders has resulted in a future-fit leadership framework that defines what differentiates a Nedbank leader.

Nedbank's Leadership Framework was launched in January 2021 and challenges all leaders to #LeadTheDifference. As we continue on our journey to create a culture that enables our purpose and vision, we will inspire our leaders to lead in an environment characterised by complexity and uncertainty. Our leadership strategy articulates what it means to 'lead the difference', defining our leadership identity and leadership brand while describing the mindset, behaviour and capabilities required to be an effective leader at Nedbank.

To make our leadership identity more tangible, we have expanded our definition of 'leadership' at Nedbank:

- We believe that everyone has the ability to lead and be a leader.
- Leadership is capability-driven – leaders will be developed by using an integrated set of capabilities, mindsets and behaviour aligned with business needs and impact.
- Different levels of work require different levels of leadership capability as leaders journey through the organisation.

This means that there will be leaders at all levels of the organisation, allowing us to harness the power of the collective through distributed leadership, where everyone has the opportunity to not only #BeTheDifference but also put their hands up and #LeadTheDifference.

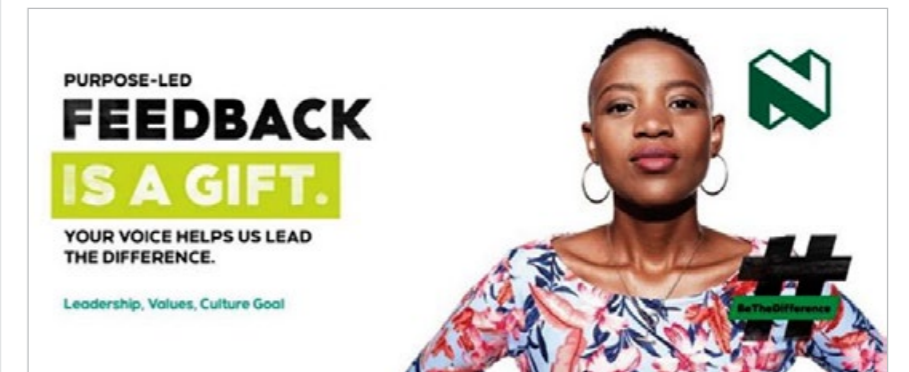
26 124
OF OUR EMPLOYEES
(2019: 24 945) HAD
PARTICIPATED IN
THE YEAR-END
PERFORMANCE
REVIEW PROCESS

LEADERSHIP, VALUES AND CULTURE GOAL AND ASSESSMENT

A Leadership, Values and Culture (LVC) goal was included in the goal commitment contract (GCC) of the group executives in 2018. Core elements of the goal include leadership behaviour, values alignment and culture enablement. The LVC goal supports the assertion that, at Nedbank, what we deliver is as important as how we deliver.

In 2020 we cascaded the LVC goal to group executives, selected cluster executives and divisional committee members.

One way in which we assess the LVC goal is through 360-degree feedback. In 2020 we revised the behavioural statements for the 360-degree feedback for alignment with our new leadership framework and automated the assessment process. A total of 131 leaders participated in the 360-degree feedback assessment, allowing us to successfully pilot the new system and process.



PERFORMANCE MANAGEMENT

The Covid-19 pandemic gave rise to a pivot in strategic business objectives as follows:



The revised strategic objectives were cascaded into the GCCs for Group Exco members and respective cluster Exco members.

The pandemic further impacted our employees who had no remote-working facilities and therefore were unable to perform their normal roles during lockdown. These employees were granted special leave while earning their full salaries.

Despite the challenges introduced by the Covid-19 pandemic, the 2020 mid-year performance management review proceeded. Our leaders made an extra effort to stay connected with their teams and had regular virtual team conversations with employees working remotely.

Of our total employees, 83% participated in the 2020 mid-year performance management process. This number is lower than anticipated because some of our employees did not participate due to a lack of remote-working facilities during lockdown. By the end of December 2020, however, 26 124 of our employees (2019: 24 945) had participated in the year-end performance review process, despite ongoing remote working.

Insights gathered from the 2019 café conversations resulted in senior leadership sponsorship and extensive change management and communication efforts on how to improve the quality of performance management conversations.

Culture that unlocks value for our clients *continued*

In 2021 we will continue to ensure our employees are upskilled in a number of ways:

- Through regular one-on-one performance conversations or 'check-ins', which will be initiated by the employee and line manager with frequent, in-the-moment constructive feedback from peers and managers.
- By promoting goal 'agility' through setting and reviewing goals regularly rather than once or twice a year.
- By conducting forward-looking performance reviews focusing on development and coaching.
- By building the 'leader as coach' capability in Nedbank.



RECOGNITION

Nedbank's recognition programme allows employees to recognise contributions and behaviour from their colleagues that display the Nedbank values through both formal and informal recognition practices.

Informal recognition gives employees the opportunity to show their appreciation of the efforts of their colleagues by awarding virtual badges that are aligned with the People Promise themes. The number of Nedbankers nominated for badges steadily increased from April 2020 and is an indication that peer recognition has become core to Nedbank's culture and a motivating factor for many employees. A total of 57 432 virtual badges were awarded in 2020 (2019: 46 230; 2018: 29 359), with the top three badges being Service Excellence, High Performance and Purpose-led.

Purpose-led Recognition badge



You earn it when ...
... you live our purpose and impact our world with passion. You're a force for good.

Badges awarded
8 015

Service excellence Recognition badge



You earn it when ...
... you always put clients first and deliver service excellence with purpose.

Badges awarded
22 960

High performance Recognition badge



You earn it when ...
... you make excellence a daily habit.

Badges awarded
12 162

Growth and development Recognition badge



You earn it when ...
... you're adaptable, flexible and open to new ways of being and doing.

Badges awarded
3 550

Diversity and inclusion Recognition badge



You earn it when ...
... you show up in every way, every day. You celebrate differences, put the team first and care for others.

Badges awarded
1 227



Here's what a few Nedbankers had to say about our new purpose-aligned recognition programme:

“I am truly delighted that as a business we are aligning our values, our purpose and recognising our employees for being their best selves. This will contribute to employees claiming their sense of belonging within the business.”

Bianca Joseph
RBB



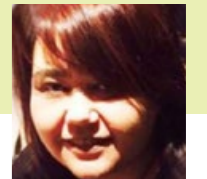
“Being a Top Achiever has made me now live to inspire colleagues who might think that no one sees them doing great to realise one day it will all be worth it.”

Annah Moruti
CIB



“The new recognition programme, aligned to the People Promise, is such a great addition to Nedbank's people practices.”

Liza Govender
Group HR



“I think of my internal clients and stakeholders as if they are personal clients. My aim is to be their trusted advisor and business enabler, rather than an obstacle which they must overcome. I am also very honest about my knowledge and capacity. If either is running thin, it is best to highlight this early so that I can collaborate with others who may be better placed to fill in the gaps.”

Brigitte Terblanche
CIB



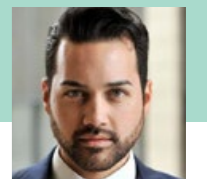
“Lead by example, as every bit of contribution makes a big impact. I often remind myself about the “starfish story” in everything I do. A good reminder to all of us is that even the smallest thing can make a difference. I didn't realise how significant the recognition is in Nedbank until I got it and how my colleagues commended me and reacted to it. It just motivated me even more to aim higher, develop individuals and teams, and in turn recognise them for high performance.”

Hawa Cassim
Group Technology



“The Nedbank recognition process rewards individuals across all facets of the bank and has shown me that your “normal” can stand out and be recognised if you constantly challenge yourself to do better. It has allowed me to maintain high standards and internalise all that I do as a reflection of not only myself, but also Nedbank. It has proven to me that hard work can pay off and be recognised. It has allowed me to build relationships with some individuals across the bank whom I would probably never have got to know. Most importantly, it has made me humble in that it was something completely unexpected – a reward that I graciously accepted as external validation of what I have accomplished by working hard and doing my best.”

Ross Franks
CIB



Formal recognition includes our Nedbank Achiever and Top Achiever programmes, where individuals and teams are recognised for their outstanding performance and display of the desired Nedbank behaviour. The recognition programme was reviewed with the aim of aligning it with our agile work practices. The table below shows the number of nominations in categories and the final number of Top Achiever award winners:

Number of nominated individuals			Number of individual award winners			Number of employees nominated as part of a team			Top Achievers <small>(included in the number of employees nominated as part of a team)</small>		
2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
9 395	12 872	7 621	520	477	467	3 233	3 180	1 757	121	113	121

OUR DIGITAL WORKPLACE VALUE PROPOSITION

THE NEDBANK DIGITAL WORKPLACE: FROM PLACE OF WORK TO PURPOSE OF WORK.



The workspace has evolved to enable employees to work anywhere, anytime; improve their work-life balance; and find new ways of collaborating and working more efficiently.

Before the Covid-19 lockdown the Group Finance cluster was first to pilot the new workspace design. Virtual tours of these spaces allowed employees to familiarise themselves with the new workspace experience.

The pandemic normalised working from home in 2020. Globally, a hybrid model is emerging, and many leading organisations are embracing a value proposition that offers renewed flexibility to work anywhere, anytime. As we value the voice of our employees, various clusters conducted surveys to find out the preferred working environments of their employees. The concept that **the workplace is where you go to work versus the workspace where you do your work** was validated by the high percentage of participants who supported the trend of a hybrid model, as observed globally.

Our employees have vastly diverse roles that require some of them to always work at a branch or office and have the flexibility to work both at the office and their homes, and some to be able to work from home most of the time. The hybrid model will give greater access to employees with scarce skills and help us to attract talent.

A digital workplace is therefore about more than just managing remote work. All Nedbank employees will rely on digital tools for a digital workplace experience, regardless of where they work, and values diversity and inclusion. The tools enable us to collaborate, communicate and connect with each other to get the job done in the most efficient, effective and impactful way, regardless of where or when we work, and values diversity and inclusion. The Digital Workplace Framework was developed to provide a framework and guidelines to enable maximum flexibility and productivity and meet individual and business needs.



Transformation through valuing diversity and inclusion

A highly skilled, diverse and transformed workforce, broadly representative of the demographics of our society, is key to remaining competitive. We understand the importance of creating positive lived experiences for all our employees in attracting and retaining top talent.

In particular, underrepresented groups need to experience Nedbank as a place where they belong and are embraced and valued. Our People Promise and Leadership Framework support the strengthening of the Nedbank culture of inclusion where diversity is celebrated. Thanks to the launch of the Pulse surveys in 2020, we increased our ability to measure the degree to which our employees feel a sense of belonging, irrespective of who they are, both in terms of how they experience their workplace and how senior leaders are creating an environment of inclusion. It is pleasing to note a year-on-year improvement in the demographic representation of our workforce, as well as a significant reduction in the attrition of African talent through ongoing targeted retention efforts.

We have achieved a 61% representation of women across our total permanent workforce population. Nedbank was acknowledged for its efforts towards gender equality when we were awarded third place in the category 'Employer of Choice: Commercial and Retail Banking' by South African Graduate Employers Association (SAGEA). In addition to this, Nedbank was recognised for its efforts towards transformation, winning the 2020 Oliver Top Empowerment Award for the implementation of the YES programme.

Nedbank further managed to facilitate the absorption of 593 previously unemployed youth (18% against a target of 2,5%) from the 2019 YES programme learner intake across our partners, which resulted in permanent employment.

GOVERNING OUR BLACK ECONOMIC EMPOWERMENT AND EMPLOYMENT EQUITY AGENDA

In support of our aspiration to lead in transformation, overseeing our transformation mandate is the responsibility of the Transformation Human Resources Committee (Tahrco), which is a Group Executive Committee (Exco) subcommittee, and the Group Transformation, Social and Ethics Committee (GTSEC), which is a board subcommittee. Our Nedbank Employee Equity Forum (Neef) is a consultative forum between management and nominated representatives. Neef focuses on ensuring that the group meets its employment equity plan, that barriers to workplace transformation are identified and addressed, and that the plan is aligned with the strategic objectives of the business.

61%
FEMALE
REPRESENTATION

RECOGNISED FOR
EFFORTS TOWARDS
gender
equality

WON THE
2020
Oliver
Top
Empowerment
award
FOR THE
IMPLEMENTATION
OF THE YES
PROGRAMME



WORKFORCE DEMOGRAPHICS

Despite a total permanent headcount decrease of 2 925 over the past three years, Nedbank has increased its representation of underrepresented groups across senior-, middle- and junior-management levels, evidencing its commitment to transformation. The table below reflects the consistent progress made over a three-year period towards a more diverse and representative workforce.

Employment equity demographics (2018–2020)

Occupational level	2020 %	2019 %	2018 %
Top management			
Black people	38,9	41,2	41,2
Black females	16,7	23,5	17,7
Africans	22,2	23,5	29,4
Senior management			
Black people	45,1	43,0	40,2
Black females	19,3	18,4	17,6
Africans	18,0	16,3	14,3
Middle management			
Black people	64,1	62,3	60,8
Black females	34,3	33,5	32,9
Africans	30,4	28,8	27,5
Junior management			
Black people	89,1	88,5	87,6
Black females	60,7	60,2	59,1
Africans	59,1	58,0	57,4
Disability	3,1	2,6*	2,96

* Note: The number reported for 2019 was rectified to reflect our December 2019 status.

The year-on-year trend indicates an **improvement in the representation of black people, black females and Africans at senior-, middle- and junior-management levels** over the past three years. Although junior management recorded a higher headcount reduction linked to a more prominent impact of the operating model reset at this level, the representation of black, black female and African people increased at this occupational level.

There was also an increase in representation of employees with disabilities (2020: 3,1%; 2019: 2,6%), which confirms Nedbank's commitment to accommodating employees living with disabilities.

2020 Employment equity demographics – African, black (ACI) and black female (ACI)

Occupational level	Total population	African	African %	Black (ACI)	Black (ACI) %	Black (ACI) females	Black (ACI) females %
Top management	18	4	22,2	7	38,9	3	16,7
Senior management	1 040	187	18,0	469	45,1	201	19,3
Middle management	8 793	2 674	30,4	5 634	64,1	3 016	34,3
Junior management	14 916	8 817	59,1	13 296	89,1	9 046	60,6
Semiskilled	833	565	67,8	784	94,1	516	61,9
Temporary employees	20	16	80,0	17	85,0	12	60,0
Total	25 620	12 263	47,9	20 207	78,9	12 794	49,9

The decrease in the black female representation at top management is a result of the resignation of Raisibe Morathi, our former Chief Financial Officer (CFO), in 2020.

2020 Employment equity demographics – black (ACI) male and female

Occupational levels	Total population	Black (ACI) male	Black (ACI) female	Black (ACI) %
Top management	18	4	3	38,9
Senior management	1 040	268	201	45,1
Middle management	8 793	2 618	3 016	64,1
Junior management	14 916	4 250	9 046	89,1
Semiskilled	833	268	516	94,1
Temporary employees	20	5	12	85,0
Total	25 620	7 413	12 794	78,9%

Transformation figures comprise employee groups that are defined by the Department of Employment and Labour (DoEL) and that are processed through Nedbank's payroll and residing and working in SA.

In comparison to their black male counterparts, black females have higher representation at middle-, junior-management and semiskilled levels.

At top management Nedbank has reasonable female representation, which indicates the bank's commitment to gender diversity. In 2021 and beyond, we will continue to focus on improving the representation of females at top and senior-management levels and strategies have been initiated to address the identified gaps in order to further improve representation in line with our employment equity plans.

CREATING OPPORTUNITIES FOR GENDER EQUITY

On 3 September 2020 Business Engage recognised Nedbank for its ongoing commitment to gender equity. At the eighth annual Gender Mainstreaming Awards (where a total of 310 JSE-listed organisations participated), Nedbank was placed second in the Reporting of JSE-listed Boards category.

While the bank has made progress on the representation of women at all management levels, it recognises the need to do more to improve gender representation at senior-management level. Targeted development programmes and opportunities continue to be tilted in favour of women in the bank in support of our ongoing efforts towards achieving gender equity.



61,2%
FEMALE
REPRESENTATION



Gender breakdown per management level

Occupational level	Total population	Male	Male %	Female	Female %
Top management	18	12	66,7	6	33,3
Senior management	1 041	658	63,2	383	36,8
Middle management	8 793	4 190	47,7	4 603	52,3
Junior management	14 916	4 792	32,1	10 124	67,9
Semiskilled	833	281	33,7	552	66,3
Temporary employees	20	6	30,0	14	70,0
Total	25 620	9 938	38,8	15 682	61,2

Note: Transformation figures comprise employee groups that are defined by the DoEL and that are processed through Nedbank's payroll and residing and working in SA.

Although the external market conditions played a big role, Nedbank's ongoing retention efforts are likely to have played a role in the reduction in the attrition of African talent. African attrition is now tracking at 3,8% for senior management (2019: 5,9%; 2018: 10,3%) and 9,6% for middle management (2019: 12,7%; 2018: 17,3%).

AFRICAN ATTRITION IS NOW TRACKING AT

3,8%
FOR SENIOR
MANAGEMENT
(2019: 5,9%;
2018: 10,3%)

9,6%
FOR MIDDLE
MANAGEMENT
(2019: 12,7%;
2018: 17,3%)

A MORE DIVERSE AND INCLUSIVE WORKPLACE

At Nedbank inclusion is an essential component of the People Promise and Leadership Framework. We hold leaders and Nedbankers accountable for non-inclusive behaviour, while promoting inclusion through a variety of people practices, such as the following:

- Launching the Nedbank People Promise, with the themes of diversity and inclusion, growth, and development to ensure that the lived experiences of our employees are aligned with our commitments and values.
- Heightening our focus on internal development and mobility opportunities. This was achieved with 2 485 (9,7%) internal employee movements from January to December 2020. This is a critical success measure, as the availability of internal career opportunities has previously been cited as a cause of the attrition of African talent. More information on this can be found in the talent mobility section.
- Evolving our equal-pay-for-work-of-equal-value (EPWEV) and performance check-and-challenge practices to identify and mitigate unjustifiable performance and pay differentials. Each year, remuneration differentials are thoroughly tested using a multivariable model that considers a wide range of admissible factors. Variances are identified for remedial action. Based on this exercise, the Remco is satisfied that pay differentials are justifiable and not attributable to gender or racial bias.
- Successfully implementing the Leadership Values and Culture (LVC) 360-degree measurement survey, with 131 employees having participated, predominantly at group and cluster executive level. One of the dimensions on which the behaviour of leaders was measured was whether they 'intentionally drive diversity and inclusion'.
- Launching the Employee Insights Pulse Check survey in November 2020 to get continuous feedback from employees with multiple data points.

In 2021 our Human-centred Leadership Framework will focus on promoting inclusive leadership through awareness and training. Performance objectives and matrices that assess the LVC alignment promoted by our leaders will continue to be measured through our Pulse surveys and the LVC measurement of leadership behaviour in 2021.

In addition to a focus on an inclusive and diverse workplace, Nedbank further promoted its transformation objectives through various forums and initiatives.

TRANSFORMATION FORUMS AND INITIATIVES

LGBTQI+ Forum

Nedbank continues to respond to the challenges faced by marginalised groups in society, including the LGBTQI (lesbian, gay, bisexual, transgender, queer and intersex) community. With the LGBTQI+ Forum now in its second year, Nedbank continued to provide a platform for members to participate fully in the transformation agenda of the bank through Neef. While most planned activities for 2020 were impacted by the restrictions as result of the Covid-19 pandemic, the forum joined the celebration of the International Day Against Homophobia, Transphobia and Biphobia held on 17 May 2020.

Nedbank Women's Forum

In line with our aspiration of leading in transformation, we embrace the Employment Equity Act, 55 of 1998, for the advancement of women. It was in this spirit that the Nedbank Women's Forum was established in 2002 and continues to focus on promoting equal opportunities and the fair treatment of women in the workplace. Although 2020 challenged the normal ways of operating and required greater flexibility, the Women's Forum still managed to present the following initiatives:

I AM WOMAN PILLAR – Online well-being sessions

For many of our employees, working from home during the Covid-19 lockdown resulted in blurred boundaries as they were challenged to juggle the roles of spouse or partner and parent with that of employee while confined to their homes. Online wellness sessions were hosted as support to our employees, of whom 150 attended. Topics included coping with multiple demands, building resilience, mental health, self-care and dealing with gender-based violence.



ADVOCACY PILLAR – United Nations CEO statement

The United Nations Entity for Gender Equality and the Empowerment of Women was established in 2010 and is grounded in the vision of equality, which is included in the UN charter. Its mandate is to assist member states and UN systems to progress more effectively and efficiently towards achieving gender equality and the empowerment of women.

On 13 October 2020 Nedbank's Chief Executive (CE), Mike Brown, signed a statement of support for the United Nations Women Principles, demonstrating Nedbank's commitment to the advancement of gender equality and female empowerment.



ADVOCACY PILLAR – Voices of Change 2020

The Covid-19 pandemic highlighted workplace inequalities as companies around the world faced enormous pressure. According to a UN policy brief, the limited progress made worldwide towards gender equality is at risk of being destroyed due to the pandemic and widespread bleak economic outlook.

Against this backdrop Nedbank partnered with Accenture, AECl, Aspen, Business Engage, Imperial, Pfizer and RMB to host the third annual Voices of Change virtual event. The event was attended by 1 500 men and women across the various partner organisations and networks.

The session was aimed at encouraging men and women to play leading roles in gender equality in the workplace. The theme of the event was 'Individually strong, collectively powerful' and aimed to inspire organisations, irrespective of their business purpose, to work together towards common goals and use their voices positively to support #GettingToEqual.

LIFT AS YOU CLIMB PILLAR – Cell C Take a Girl Child to Work Day

The Women's Forum once again joined forces with Cell C on the 18th year of this worthy initiative, which promotes gender equality in the workplace.

Cell C Take a Girl Child to Work Day is one of SA's largest collaborative acts of volunteerism, aimed at encouraging corporates in SA to empower and give guidance to girls on career development.

The 2020 theme was '#MoreThanADay and on any day of the year, from anywhere and at any time'.

Some highlights of the day included two virtual workshops for the families of Nedbank employees, with 50 male and female learners having participated. Leaders in the organisation spoke about their journeys and various topics were covered, such as self-discovery, life after school, and getting empowered and dealing with the multiple demands of school.

The learners provided positive feedback, having stated that they felt inspired after they had attended the workshops.



CREATING OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

Nedbank remains committed to improving the representation and reasonable accommodation of people with disabilities in the workplace. Despite the many challenges that 2020 brought, the bank managed to increase its workforce representation of people with disabilities to 3.1% (2019: 2.6%). Due to the Covid-19 travel and group gathering restrictions, the planned disability awareness sessions were cancelled. Further awareness sessions are planned for 2021.

Youth Employment Service (YES)

The investment we made by offering 3 340 unemployed youth the opportunity to gain work experience from 2019 to 2020 demonstrates our commitment to supporting the national agenda and taking the lead in transformation as we repurpose the economy for growth by recognising the critical role the youth play in shaping our economy and country.

The majority of the 2019 YES youth intake completed their 12-month work experience programme with Nedbank at the end of April 2020. A small number of YES youth were onboarded to replace youth from the initial 2019 intake that left the programme and concluded their work experience programmes during the remainder of 2020. Although the 2019 YES youth intake initially created opportunities for 3 315 youth, an additional partner, Youth@Work, joined the programme with 25 youth, increasing the total intake to 3 340. This enabled Nedbank to build a contingency to mitigate the possibility of YES youth leaving the programme prematurely, which could have impacted adherence to the YES programme requirements.

2020 YES programme highlights

- **Avo partnership:** Six YES learners were redeployed as call centre agents for the Mr Delivery Food Service to support Nedbank's launch of the Avo app from June to October 2020.
- **Nedbank Tradeway YES youth become Netstar employees:** A total of 18 candidates completed their 12-month learnership programme at the Netstar call centre. Following the learnership, the YES youth were eligible to apply for vacancies at Netstar and Altron Group.

Shared on our Microsoft Yammer platform:

“So proud to be part of the Nedbank family. I joined Nedbank through the YES programme, and I must say the journey and experience has been nothing short of amazing and motivating. If you're a young and passionate, career-driven individual, this programme will channel you to places you would never imagine to be [sic]. After 12 months of being part of the YES programme, I am now a POS technician at Nedbank's Point of Sale Centre with a plan of working my way up and being more of an asset to the Nedbank family. Good luck to every young person ready to accept this challenge and embark on this journey.”

Lebo Sothoane, one of our YES youth

17,8%
ABSORPTION RATE
VS
GAZETTED TARGET OF
2,5%



Absorption of YES youth

The overall absorption rate of 17,8% includes youth employed at implementation partners and exceeds the gazetted target of 2,5%. The 17,8% translates to a total of 593 formerly unemployed youth who are now permanently employed thanks to Nedbank's YES programme. The table below shows a breakdown of where they were employed.

Organisation	Number of YES youth 2019 intake	Number of 2019 YES youth absorbed	
Nedbank – placed within Nedbank	250	107	(43%)
WildTrust	1715	225	(13%)
UnlockD	800	194	(24%)
ORT SA	400	31	(7,8%)
Tradeway	150	20	(13%)
Youth@Work	25	17	(68%)
Total	3 340	593	(17,8%)

YES youth marketplace

Talent profiles were created for each of the YES youth through a talent marketplace initiative to market the 2019 candidates in and outside of Nedbank to recruitment agencies and prospective employers. The YES Youth Marketplace Review was held on 31 August 2020 with recruitment teams in Nedbank to ensure that YES youth are considered a potential youth talent pipeline.

The NedTalk digital work readiness booklet gave YES youth guidance on job searching and establishing entrepreneurial ventures. The process followed for the YES programme was documented with templates, including talent profiles, so that our implementation partners could replicate the marketplace in their own organisations.

Postponement of the 2020 YES youth intake

Covid-19 risks and the resultant lockdown prevented Nedbank and its implementation partners from completing the necessary participant onboarding processes, ie applicant interviews, assessments, verifications, etc.

In light of the Covid-19 pandemic and lockdown implications, the health and safety of the YES youth was a key priority. This is why after much consideration of the associated risks, Nedbank decided to postpone the programme to 2021.



Reskilled and upskilled workforce

A transformed and reskilled workforce requires a progressive learning strategy to meet future business needs. In line with our People Promise theme of 'Growth and development – your potential is our impact', we want to give our employees access to learning anytime (24/7), from anywhere, on any device, and in a way that empowers them to develop the skills most relevant to their jobs, business priorities and strategic capabilities both at and beyond Nedbank.

The Covid-19 pandemic accelerated our planned initiatives. It required a pivot from face-to-face learning activities to digital alternatives to ensure the ongoing reskilling and upskilling of our workforce, focusing on core capability building (eg digital skills) and skills required for the future. This resulted in a significant increase in the use of existing digital learning solutions such as LinkedIn Learning and Udemy. In addition, we also invested in new digital solutions in 2020 to lay the foundations for resetting the learning experiences of our employees.

Notwithstanding our pivot towards digital learning, we exceeded our 2020 target and year-on-year spend on skills development. Leadership and management development solutions also had to be redesigned to be pivoted to digital channels, while **95 leaders participated in formal leadership development programmes** during 2020.

Although 18 employees were regrettably retrenched in 2020, this is a much lower figure compared to 2019 and could only have been achieved through deliberate and focused reskilling and redeployment efforts, combined with a number of management strategies, eg reducing recruitment activity.

PIVOT TO DIGITAL LEARNING SOLUTIONS

Many organisations have moved towards virtual and online learning over the years and the pandemic accelerated the pace of digital transformation in learning.

The ability to work, collaborate and innovate anywhere, anytime, with the support of robust digital tools and capabilities is the 'new normal'. In 2020 the Nedbank Learning and Development community was upskilled to migrate from face-to-face learning interventions to virtual training by leveraging existing tools such as MS Teams, SharePoint, SAP JAM and Yammer. Learning paths and micro-learning content (smaller, more consumable chunks) were created to support the building of digital literacy in our employees.



Nedbank further broadened the offerings on existing digital tools and invested in a new digital learner experience and virtual classroom platform during 2020. These digital solutions have laid the foundations for an improved learner experience through the following features:

- 'One-stop learning shop' access to learning through a single portal.
- Learning anytime (24/7), from anywhere, on any device, with a functionality to download content for offline consumption.
- Recognition of learning to motivate and facilitate lifelong learning.
- Access to networking, coaches, mentors and SMEs to enable real-time, in-the-flow-of-work learning. This is the first milestone in the multiyear journey of bringing our redefined learning strategy to life.

The shift towards digital learning solutions, which started in 2019, continued in 2020 with an increased interest in alternative, self-paced platforms such as Udemy and a gradual adoption of Coursera and Pluralsight in specific clusters. Clusters used different methods to encourage employees to use the courses available on the digital platforms. In Group Technology the names of learners who completed the highest number of courses were published in recognition of their efforts. The uptake of the LinkedIn Learning and Udemy offerings resulted in exponential growth in the number of licences being issued for specialist skills in cloud, AI, robotic process automation and deep technical skills, eg programming and software development.



45 147
LINKEDIN COURSES COMPLETED

1 033 703
LEARNING VIDEOS COMPLETED

LinkedIn Learning

LinkedIn Learning licences have so far been issued to 21 940 Nedbank employees. During 2020 our employees completed 45 147 courses on the platform, which is a 183,21% increase on 2019. Curated paths that cover skills highlighted by our Strategic Workforce Plan, eg data science, design thinking, agile and leadership, were created and are actively promoted to ensure focus on building relevant skills for the future. This resulted in a 222,93% increase in custom curated content in 2020 when compared to the previous year (2019: 499 056). Our employees completed 1 033 703 learning videos in 2020, which is a 134% increase year on year.

LinkedIn Learning insights

	2020	2019
Courses viewed	145 565	72 927
Courses completed	45 147	15 941
Videos viewed	1 145 517	499 056
Videos completed	1 033 703	440 195
Custom content viewed	9 240	2 581
Custom content completed	7 198	2 229

With reference to the table below, our employees gravitated towards learning about cultivating a growth mindset, time management, and the use of digital collaboration tools.

Most popular LinkedIn Learning content

2020		2019	
Course content	Number of viewers	Course content	Number of viewers
The six morning habits of high performers	1827	How to use LinkedIn Learning	781
Cultivating a growth mindset	1740	Gaining skills with LinkedIn Learning	439
Facilitation skills for managers and leaders	1482	Developing your emotional intelligence	322
Microsoft collaboration: SharePoint, Teams, Groups and Yammer	1292	Power BI essential training	273
Gaining skills with LinkedIn Learning	1233	Strategic thinking	268
Time management tips	905	Microsoft Azure core functionalities	238
How to use LinkedIn Learning	739	Developing a learning mindset	214

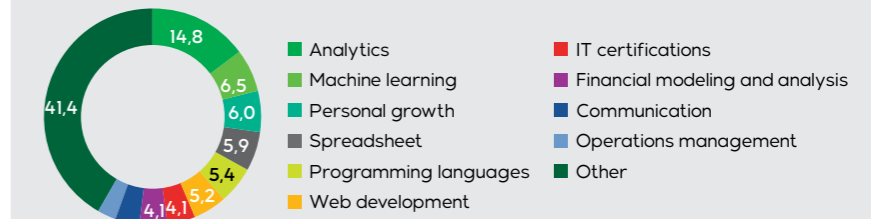
The change in the top seven courses viewed by our employees from 2019 to 2020 is an indication of their willingness to embrace the change towards a growth mindset and a high-performance environment. The opportunity to self-direct their learning through the use of available technology is aligned with and key to Nedbank's culture shift.



Udemy

Nedbank currently has 511 licensed Udemy users. The top Udemy learning subcategories are in line with the trends observed on LinkedIn Learning, confirming our employees' adoption of self-directed learning in support of our strategy. The image and table on the right support this observation:

UDEMY USERS (%)



	2020	2019
Adoption rate across the allocated licences	71%	62%
Total learning hours	3 546 hours (equivalent to 21 weeks of learning)	2 510 hours (equivalent to 15 weeks of learning)
Total number of hours on enrolled courses	800	620
Top courses	Python for Data Science and Machine Learning Bootcamp	Complete Python Bootcamp
	Microsoft Power BI	Machine Learning A-Z
	MBA in a Box: Business Lessons from a CEO	The Complete SQL Bootcamp
Learner's rating of the course and content	4,4 out of 5 stars	4,4 out of 5 stars
Learning 'on the go' (lectures via the Udemy for business mobile app)	5%	0%

OUR INVESTMENT IN SKILLS DEVELOPMENT

Notwithstanding our pivot towards learning through digital channels, we exceeded our 2020 target of 11,50 and year-on-year spend on skills development to achieve 15,99 points (2019: 15,67).

The table below shows Nedbank's 2020 investment in skills development:

SPEND ON SKILLS DEVELOPMENT TO ACHIEVE
15,99 points
(2019: 15,67 points)

Training expenditure (FSC report)	2020	2019	2018
Total basic payroll	R13 875 442 233	R15 082 586 997	R14 131 011 851
Total training spend	R924 383 068	R759 665 181	R468 128 368
Training spend as % of basic payroll	6,7%	5,0%	3,3%
Training spend for black employees	R743 249 080	R601 912 861	R370 069 058
Training spend for black female employees	R484 481 212	R364 101 281	R228 013 860
Training spend for black employees with disabilities	R16 878 686	R10 391 308	R6 066 974
Training spend for black female employees with disabilities	R12 562 679	R7 684 390	R3 813 704

In support of Nedbank's commitment to transformation, our 2020 training spend for black (especially black female) employees compares favourably with that in 2019.

Reskilled and upskilled workforce *continued*

Employee development highlights

BBBEE SCORE
16,00
(2019: 15,67)

TRAINING SPEND
(Rm)
R924,3
(2019: R760,1)

AVERAGE TRAINING HOURS
PER EMPLOYEE (INCLUDING
COMPLIANCE TRAINING)*
31
(2019: 44)

TRAINING
BENEFICIARIES**
24 391
(2019: 28 479)

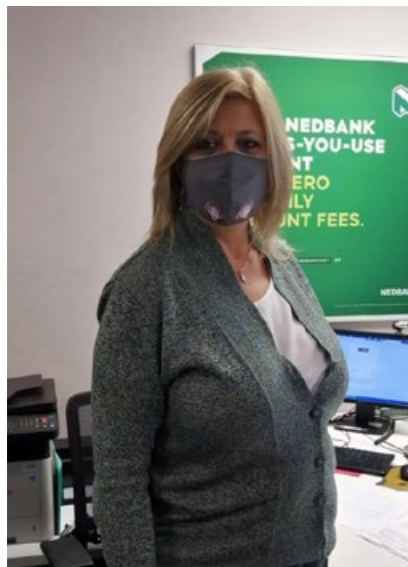
* Average training hours has decreased significantly due to the reduction in classroom training and the uptake of digital learning solutions, which are often short, just-in-time solutions.

** The total number of employees who attended training.

The time spent on digital learning is generally much shorter than that on traditional classroom training as the former is broken down into smaller modules with shorter times allocated to support learning. In addition to this, some of our employees have limited data or do not have access to personal Nedbank computers, which contributed to a lower number of recorded training hours. The decreased headcount, combined with the limited access to learning tools, contributed to a lower number of training beneficiaries.

Of the total training spend, 61,6% can be attributed to categories B, C, and D on the Learning Programme Matrix beneficiaries' salaries and is included as legitimate training spend. In addition, Bankseta grants enabled us to implement a major component of the BCD programmes. In a contracting economy, this ensured that beneficiaries could continue upskilling and reskilling in a rapidly changing workplace.

The recorded numbers of users and courses on the digital learning platforms confirms that our employees have embraced and adopted the digital learning approach. In 2021 there will be further focus on making learning more accessible to all our employees.



OUR INVESTMENT IN LEADERSHIP DEVELOPMENT

For many of our leaders, the pandemic resulted in leading a virtual, dispersed workforce. This, together with escalating well-being concerns, highlighted the need for leaders to step up and present a bold, resilient and innovative front to transition the business through this period. In times of crisis, employees look to leaders for guidance and reassurance, and Nedbank leaders were called on to be visible and lead the change at a time of heightened ambiguity.

We updated our leadership capability framework to include new capabilities, eg leading virtual teams, promoting well-being, creating trust and leading with empathy. Different levels of work require different levels of leadership capability, and in 2021 we will align our leadership development interventions with our new Leadership Framework.

During 2020 leadership and management development solutions also had to be redesigned to be pivoted to digital channels, which included the following:

- A blend of MS Teams, in-house training provider platforms, LinkedIn Learning and the Nedbank SAP JAM platform, which were used at junior- middle- and senior- management levels.
- The University of Stellenbosch's Executive Development Programme, which was delivered digitally using a combination of live webinars and online coaching.

Self-paced learning was enabled through a range of leadership learning paths that focused on:

- strengthening leadership capabilities at junior, middle, senior and executive level through LinkedIn Learning;
- supporting leaders through the pandemic, with specific content on Covid-19 and thought leadership equipping leaders to support their teams in these unprecedented times; and
- developing our leaders' performance conversational skills so that they could play the role of 'manager as coach', which is a key capability for leading teams remotely.

Social and collaborative learning was enabled through the development of three key initiatives:

- A SAP JAM site that houses on-demand content and webinars available to all employees and that builds on the knowledge and insight of our key strategic drivers.
- WhatsApp groups in the leadership development programmes allowed for real-time, on-the-go messaging, peer group discussions and sharing of news and articles.
- Digital newsletters through NedNews and Yammer focused specifically on topics related to leading virtually and building digital intelligence.

We further developed partnerships with world-class institutions, which offered our leaders access to live webinars and discussion forums at no additional cost. These partners included the Emeritus Institute of Management, Harvard Business School, Henley Business School, NoviaOne Group, Duke CE, the Neuro-Leadership Institute and Symphonia Leadership Development.

As evident from these initiatives, there was a huge focus on shifting from the traditional ways of leadership development, which mainly focused on formal and institutionally driven development programmes, to enabling self-discovery and in-the-flow-of-work learning.

Formal development remains an important part of equipping our leaders with the ever-changing leadership capabilities for today and for the future. During 2020, 95 leaders participated in formal development programmes as shown in the table below:

Programme title	African		Coloured		Indian		White		Total
	M	F	M	F	M	F	M	F	
Executive programmes									
Bankseta Africa Expansion programme	1	1	0	0	2	0	1	0	5
SingularityU Executive programme	1	0	0	1	0	2	1	0	5
USB Executive Development Programme	1	2	0	0	2	0	0	2	7
Senior-management programme									
Lead programme 2020	6	5	4	0	4	4	4	3	30
Middle-management programme									
Influence programme 2020	7	16	0	2	4	4	3	0	36
Junior-management programme									
Disrupt programme	5	2	3	0	1	0	1	0	12
Total	21	26	7	3	13	10	10	5	95

These formal leadership development programmes provide our leaders with a sound base of knowledge and understanding for their current roles and equip them to transition to new or more complex roles within the organisation.

In 2021 we will focus on further alignment of leadership development with our new Leadership Framework, in line with the evolution of digital learning capabilities in Nedbank.

TALENT MOBILITY

Notwithstanding the impact of the pandemic, Nedbank managed to increase its training investment in general, particularly in employees from underrepresented groups during 2020. In line with our People Promise theme of growth and development, we have further enabled the movement of 2 485 (9,7%) employees within the organisation, which illustrates a business return on the growth and development of our employees.

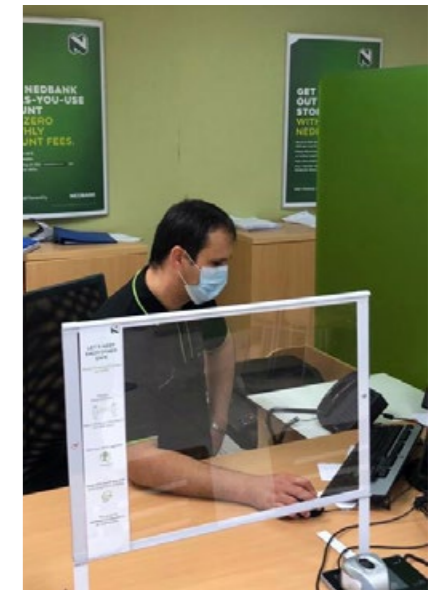
The Talent Mobility Framework was approved in February 2020 and is aimed at helping us retain critical talent through career growth and development by moving employees around the organisation to have them share their skills and knowledge and to solve our talent needs. From January to December 2020 employee movements included:

JANUARY TO DECEMBER 2020

239 (0,93%)
cross-cluster
movements due to
lateral transfers.

1 575 (6,12%)
cross-divisional
movements due to
lateral transfers.

671 (2,6%)
promotions from one
management level to
another, in alignment
with employment equity
reporting, with movements
within a management level
excluded.



FOCUS ON SHIFTING
FROM THE TRADITIONAL
WAYS OF LEADERSHIP
DEVELOPMENT

2 485
(9,7%) EMPLOYEES
MOVED WITHIN
THE ORGANISATION

Our aim is to continue to promote the purposeful movement of our employees in support of the growth-and-development theme in our People Promise. In addition to our investment in the YES programme, we will continue to supplement our internal talent pipelines with the infusion of young talent and scarce skills through learnerships, internships, bursaries and graduate programmes.

Reskilled and upskilled workforce *continued*

OUR INVESTMENT IN BURSARIES FOR FORMAL QUALIFICATIONS

As we evolve our operating model to align it with changes in our external context, roles and role requirements also change rapidly. With this context in mind, we are committed to continuous professional development so that our employees can upskill and reskill themselves. Bursaries are therefore not limited to qualifications that are linked to an employee's current role, but are linked with the requirements of the broader organisation. We award internal bursaries, an important driver of professional development, to permanent employees who wish to get formal academic qualifications from recognised and accredited institutions.

During 2020 bursaries to the value of R15 209 279 (2019: R13 835 614) were awarded to 609 (2019: 862) employees, with a notable increase in our investment in junior and middle management. The table below provides a comparative breakdown of the bursaries awarded in 2020 compared to 2019.

Occupational level	Number of bursars		Actual payment	
	2020	2019	2020	2019
Senior management	8	17	R518 541	R669 932
Middle management	298	376	R7 780 713	R7 449 520
Junior management	285	444	R6 362 195	R5 369 633
Semiskilled	25	25	R547 830	R346 530
Total	616	862	R15 209 279	R13 835 614

BURSARIES TO THE VALUE OF
R15 209 279
WERE AWARDED
(2019: R13 835 614)

203
EMPLOYEES GAINED
FORMAL QUALIFICATIONS
(2019: 192)

Continuous professional development was enabled through several additional programmes that resulted in 203 employees gaining formal qualifications (2019: 192). These programmes address needs in response to identified development areas.

Programme title	DTI category	African		Coloured		Indian		White		Total
		M	F	M	F	M	F	M	F	
		Advanced certificate in financial planning	B	4	1	0	3	0	0	
CIB Digital Leadership Programme	B	0	0	1	2	5	3	8	4	23
CIB Graduate Programme	B	8	11	0	0	2	1	1	0	23
Higher Certificate in Financial Planning	B	3	4	0	1	0	1	1	0	10
Higher Certificate in Financial Products	B	0	0	0	1	0	1	0	1	3
Higher Certificate in Short-term Insurance	B	2	7	2	1	2	2	0	4	20
Postgraduate Diploma in Financial Planning	B	1	1	1	0	3	1	2	2	11
Property Finance Academy	B	2	4	1	0	1	1	2	4	15
Advanced Certificate in Management Practices	B	7	16	0	2	4	4	3	0	36
Postgraduate Diploma in Management Practices	B	6	5	4	0	4	4	5	2	30
Data Communication Networking Support	B	4	11	0	2	1	1	0	1	20
Grand total		37	60	9	12	22	19	23	21	203

The numbers reflected in the table above are evidence of our commitment to accelerating the upskilling and reskilling of our African talent, in line with our employment equity plan.

AGILITY CENTRE

As a responsible employer, Nedbank has made every effort to limit employee displacement during this difficult time. Although our digital transformation and operating model reset have resulted in organisational changes towards a more client-centred business, as well as a headcount decrease of 2 925 over the past three years, these changes were made with minimal people impact. We are constantly seeking opportunities to reskill employees in changing roles to support the organisation of the future. This approach has resulted in a lower number of retrenchments to date.

The people impact as a result of the organisational changes is further minimised by a number of management strategies, such as a slowdown of recruitment activity and increased support for employees who are displaced through the Agility Centre (previously known as the Redeployment Centre).

During 2020 a total of 298 employees were affected by organisational change; 234 of them were successfully redeployed and five chose to take early retirement. Despite our best efforts, 18 employees were regrettably retrenched (2019: 158).

The table below indicates the movement of affected employees into and out of the Agility Centre.

Action	Subtotal	Total number
Entered the Agility Centre		298
Redeployed	185	
Moved from the Agility Centre, ie redeployed to other positions in the business unit	49	
Total redeployed		234
Retrenched	18	
Retired	6	
Resigned	1	
Contract expired	2	
Total number of employees that exited the organisation		31
Employees within the Agility Centre on 31 December 2020		33

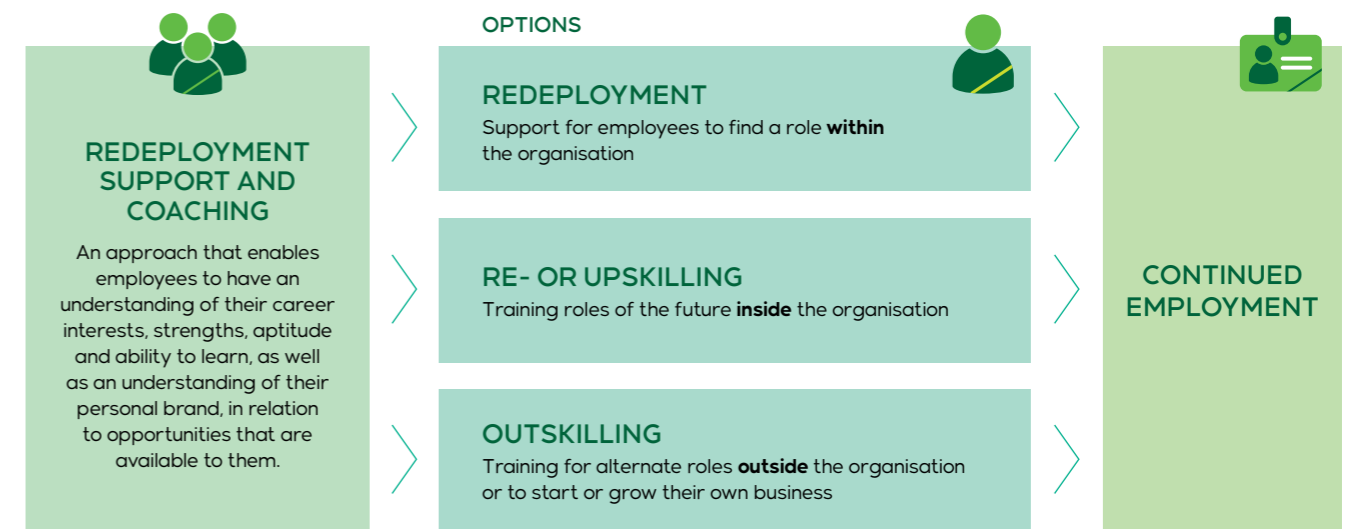
In keeping with our purpose **to use our financial expertise to do good for individuals, families, businesses and society**, redeployment efforts were maximised and employees whose roles were at risk were supported with reskilling opportunities, in line with future required skills.

Outplacement support services were updated and provided on digital platforms to employees. Affected employees were given access to free counselling services through ICAS; digital workshops on CV writing, interview skills, personal branding and postretrenchment benefits; and access to a financial advisor to help them with financial planning.

While internal redeployment is the first option, external redeployment was further enhanced through a partnership with Accenture via a 'Jobs board'. The objective of this initiative was to introduce affected employees to potential employers looking for a specific skill. This increases the likelihood and speed of these employees finding employment with external employers.

At Nedbank, we pride ourselves on the support we provide to affected employees and the responsible management and mitigation of people impact due to organisational change.

The diagram below details the Agility Centre's support services, which were available to the affected employees:



Attracting talent

Despite the disruptive nature of ongoing organisational change and the impact of the pandemic on our talent management agenda, we continue to focus on positioning Nedbank as an employer of choice. Further focus is placed on building a transformed talent pipeline in line with our People Promise commitment to diversity and inclusion, and on creating commercial value for Nedbank.

The acceleration of our digital transformation and the resultant fast-evolving business context have significant implications on existing strategic workforce, and succession and career development plans.

Our talent management practice continued to identify and facilitate targeted development for high-potential talent. We also invested in talent assessments while developing the leadership capabilities of our identified future leaders and facilitated the implementation of plans to retain these future leaders through monetary and non-monetary retention initiatives.

During 2020 we unfortunately recorded a total number of 140 regrettable losses of employees who voluntarily terminated their employment with Nedbank. This included both high-performing and performing employees from underrepresented groups at all management levels. The voluntary-regrettable-attrition rate is 0,55% of the average 2020 headcount of Nedbank.

Winner
OF EMPLOYER OF
CHOICE: LARGE
ORGANISATIONS

TALENT ATTRACTION, ACQUISITION AND ONBOARDING

The ability to attract and acquire scarce and critical skills and bolster our underrepresented workforce segments for the future remains essential. Our ability to compete depends on the attractiveness of our brand as an employer. In support of our People Strategy aspirations, we want to improve the experience of internal and external candidates, while increasing our ability to access the required skills.

Our efforts paid off in 2020 when Nedbank received market recognition through receiving two awards:

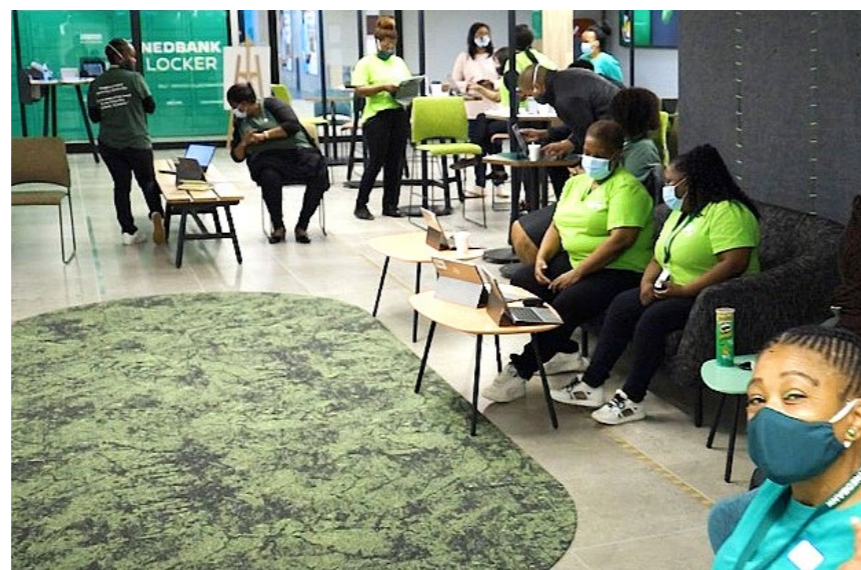
- Nedbank won the category 'Employer of Choice: Large Organisations' at the Topco Media 'Future of HR Awards' on 28 November 2020. This accolade was awarded in recognition of the HR strategies and practices Nedbank implemented that directly impact business performance and innovation.
- The SAGEA Awards celebrate the achievements of SA's leading graduate employers. Nedbank was awarded third place in the category 'Employer of Choice: Commercial and Retail Banking'. The awards are decided entirely by successful jobseekers who have received confirmed job offers from graduate employers. Launched in 2010, the survey is conducted annually to help SAGEA members review the success of their graduate campaigns and help plan their future recruitment programmes. Research took place from March to May 2020 and 2 732 candidates responded during this time.

In response to managing the challenges of Covid-19, recruitment and assessment practices were reviewed to create flexible and safe hiring practices. Recruitment volumes decreased year on year as hiring was limited to addressing gaps in critical skills as well as skills among the underrepresented workforce segments. As economic growth slowed down in SA, Nedbank had to strategically manage its talent attraction efforts. The conscious decision was made to ensure a competitive talent agenda that delivers on the demand for scarce and critical skills and on attracting African talent.

The in-depth diagnostic that was conducted in 2019 to understand the attrition rates of African talent highlighted the need for Nedbank to make a commitment to providing opportunities for growth and career prospects in the bank.

While our ability to attract and retain the skills we need is dependent on the attractiveness of our employer brand, our ability to build skills and talent pipelines internally has become an even higher priority in ensuring our success. African new hires and promotions at senior- and middle-management levels have contributed to the transformation of the workforce at these occupational levels.

During 2020 we further invested in the design and delivery of critical foundations towards a more digital and candidate-centred recruitment and onboarding process, enabled by digital platforms and a redesigned Nedbank careers page.



LEARNERSHIPS AND INTERNSHIPS

As an organisation with a clear purpose, we will continue to contribute to a greater agenda than our own by making a meaningful contribution towards mitigating youth unemployment. Learnerships and internships are key initiatives through which we can address skills shortages and introduce young talent into the organisation.

The Bankseta, in partnership with participating banks, designed and developed the Cybersecurity Internship (pilot programme). Nedbank successfully hosted 10 interns and provided cybersecurity experience despite the challenges posed by Covid-19. We played a critical role in providing the interns with as much exposure to the workplace for practical implementation as possible, which included focusing on knowledge and interpersonal skills. Positive feedback from both line managers and interns about the programme is a testament to the importance of giving our inexperienced youth the opportunity to gain skills and work experience. Due to the success of this pilot internship, the Bankseta confirmed a 2021 intake with enhancements to the academic component of the qualification.

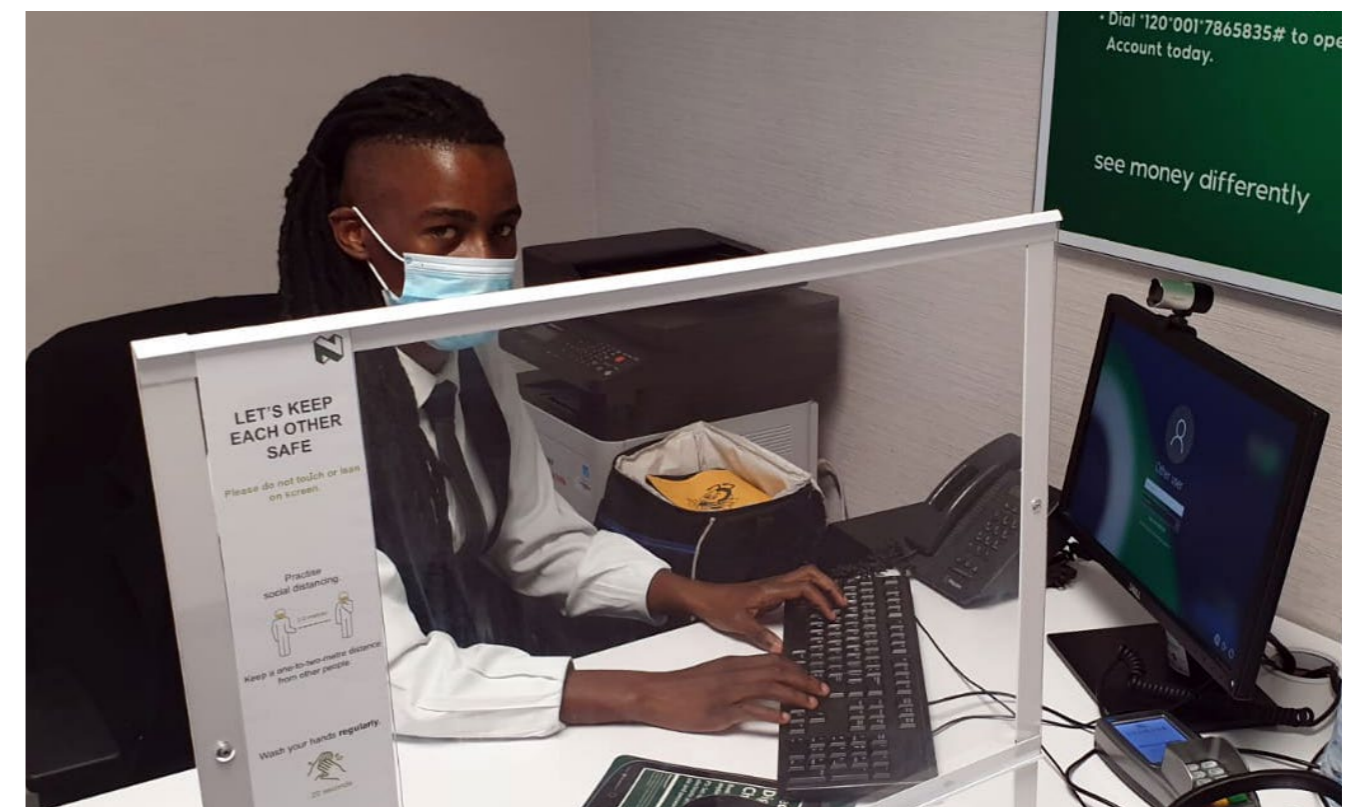
The Letsema and Kuyasa programmes started as the Covid-19 level five lockdown was announced and we had to make rapid adjustments to deliver the learning virtually across the organisation to ensure the programmes continued. The limited work experience of 145 of the learners meant taking a creative approach to navigating their learning path. Teamwork and collaboration with learning providers saw a new way of delivering learning being implemented and that proved popular. The learning providers whom Nedbank partnered with were equipped to maintain the required standards of delivery. In situations where it was challenging to facilitate workplace experience, simulations were created to meet the outcomes of those programmes. Most of the other programmes were converted for online delivery with no adverse impact on the quality of the experience or the qualification outcomes. Both employees and unemployed learners benefited from the pivot from traditional classroom to virtual delivery.

Programme	2020				2019				2018			
	Total intake	Nedbank employees enrolled in learnership	Unemployed	Total absorption	Total intake	Nedbank employees enrolled in learnership	Unemployed	Total absorption	Total intake	Employed within Nedbank	Unemployed	Total absorption
Learnership and internship	2 401	2 045	356*	99**	1 714	1 517	197	99*	1 466	1 198	268	84*
Black representation	88%				90%				92%			

* Unemployed number includes African, Coloured, Indian and white learners and interns.

** Note: Absorption is relevant only to black unemployed learners and interns.

The lower absorption rate can be attributed to the fact that employees in the Agility Centre were given priority for available vacancies, in line with our 'Nedbank first' approach. The increase in overall 2020 participation is due to the addition of learnerships for internal employees in line with our commitment to reskilling and upskilling our existing workforce.



EXTERNAL BURSARY PROGRAMME

In 2020 the Nedbank Education Trust awarded bursaries to 131 students (2019: 97) to the value of R18,1m for the academic year (2019: R12,5m). This spend comprised R13,5m and a special dispensation by the trust from reserve funding of R4,6m.

Funding decisions prioritised scarce and future skills required for Nedbank and SA more broadly.

The table below refers to the student categories:

Bursars	Number of bursars	
	2020	2019
First-year students (2020 intake)	34	41
Current bursars (2019 and earlier)	87	48
Total undergraduates	121	89
Total honours	10	8

The 18 bursars who achieved an aggregate of 75% and above were awarded an academic achievement prize of R5 000 each.

Nedbank graduate programmes

Our graduate programmes provide candidates with workplace experience and a chance to apply theoretical knowledge in the workplace. The programmes aim to build foundational skills for young talent while supporting Nedbank's aspiration to be an employer of choice that builds, attracts and retains critical talent and skills. Despite the challenges posed by Covid-19, Nedbank hosted 62 (2019: 60) graduates across its various graduate programmes.

Programme	2020		2019		2018	
	Intake	Absorption %	Intake	Absorption %	Intake	Absorption %
Graduate Programme (RBB and Compliance)	12	50	10	50	18	45
CIB Graduate Programme	24	86	29	86	20	97
CA Training Programme	13	90	11	90	14	82
Quants Graduate Programme	13	88	10	88	9	78
Group Technology Graduate Programme	-	-	9	-	Programme started in 2019 and runs over two years.	
Total	62	76	69	76	61	76

Note: Absorption percentages depend on the length of the programme and may therefore include graduates from previous years' programmes.

In 2020 Nedbank participated in the SAGEA Virtual Career Fair to market the various Nedbank graduate programme offerings. This fair showcased 100 graduate employers in the country and was attended by approximately 38 000 students from 21 South African universities.



Additional virtual graduate events hosted by the Corporate Investment Banking (CIB) cluster included the following:

- Golden Key online campaign.
- Webinars and masterclasses [University of Cape Town (UCT)].
- Targeted top faculty engagements.
- Faculty collaboration with selected schools.
- Social-media activations.
- Engagements with professional student organisations.

The digital and online marketing strategy for the 2020 Quants Graduate Programme and Chartered Accountants (CA) Training Programme included the following:

- UCT virtual expos – 10 000+ students participated.
- Working World Virtual Exhibition – 2 000+ students participated across the Western Cape.
- University and faculty webinars and virtual student coffee chats.
- A three-day 'virtual' vacation work experience programme for 40 students from across South African universities.
- Collaboration with the University of Johannesburg, the University of Venda and the University of the Witwatersrand to curate an assignment (which was incorporated into the university curriculum) for students to apply their theoretical knowledge to a real-life credit assessment decision in banking.

Nedbank welcomes the opportunity to infuse young, diverse talent and thinking into the organisation as evidenced by the higher absorption in the CA Training Programme of 90% (2019: 82%) and the Quants Graduate Programme of 88% (2019: 78%).

131
BURSARIES
AWARDED
(2019: 97)

2000+
STUDENTS
PARTICIPATED
IN WORKING WORLD
VIRTUAL EXHIBITION

Healthy and high-performing employees

Nedbank's organisational identity is rooted in its purpose and the strong people-centred culture and values. The Nedbank purpose, **to use our financial expertise to do good for individuals, families, businesses and society**, was tested on many levels during 2020. The focus on healthy and high-performing employees was not just a theme of our People Strategy, but a daily reality. Although the health of our employees was of utmost concern, it had to be balanced with the need to maintain a highly productive workforce that provided clients with the high standard of service they are accustomed to, during uncertain times.

OUR EMPLOYEES' **Well-being** BECAME AN INCREASED FOCUS



THE IMPACT OF THE COVID-19 PANDEMIC ON OUR EMPLOYEES

The Covid-19 pandemic tested the agility of our people practices and our ability to deliver on projects and continue to serve our clients. We are proud of the adaptability demonstrated by our employees working onsite under challenging circumstances and those who seamlessly moved to working from home, as well as of our technology teams that supported them through this transition.

Notwithstanding the challenges presented by the pandemic, we laid essential foundations for leaders to lead with purpose for a reimagined, more competitive Nedbank. During lockdown we demonstrated our commitment to employee well-being and constantly look for innovative ways to show that we care about our employees and clients.

The Nedbank Pandemic Steering Committee (NPSC) was formed and acted as a consultative forum to identify and make recommendations regarding all matters relating to the Covid-19 pandemic and the impact this would have on Nedbank. The committee has representatives from various teams within the organisation and acts as a Group Exco subcommittee to focus on matters related to Covid-19 during the pandemic.

The NPSC had to ensure that our employees, clients and stakeholders are protected by implementing measures to mitigate the effect of the Covid-19 pandemic on our ability to deliver essential services, through:

- implementing safety and security measures to manage infection risks in the workplace;
- establishing contingency plans to maintain delivery of essential services during times of significant and sustained employee absenteeism;
- establishing (where possible) mechanisms to allow employees to perform their work from home; and
- establishing partnerships with other members of the financial services community to provide mutual support and maintenance of essential services during a pandemic.

While several measures were put in place to ensure the safety and security of our employees and clients, the importance of regular communication and information was recognised. A Covid-19 portal is available to all employees and gives relevant and important information on policies, processes and practices.

The importance of our employees' well-being became an increased focus for Nedbank, especially with the new challenges emerging from remote working, rising stress and health-related concerns as a consequence of the pandemic. The resulting erosion of economic, financial and societal stability required expanded focus on how Nedbank preserves the health and well-being of its employees while striving to energise, engage and delight its workforce.

During 2020, 2 415 Nedbank employees tested positive for the coronavirus. Despite a high recovery rate, we are saddened by the death of nine of our employees, which will have a lasting effect on their colleagues. At 31 December 2020 there were still 24 employees that were Covid-19-positive. Although employees who contracted Covid-19 generally return to work once they have been declared as recovered by their healthcare practitioners, it has been reported that it takes time before they are able to resume their roles with 100% functionality. The effects of the Covid-19 pandemic are likely going to continue impacting our workforce for some time to come.

The table below shows the Covid-19 status of Nedbank employees at 31 December 2020:

Cluster	2020			
	Infections	Recoveries	Fatalities	Active
Retail and Business Banking	1887	1870	7	10
Corporate and Investment Banking	111	106	0	5
Wealth	78	73	1	4
Nedbank Africa Regions	165	162	0	3
Group Finance	48	46	1	1
Group Technology	88	88	0	0
Group Compliance	2	2	0	0
Group Marketing and Corporate Affairs	1	1	0	0
Group Strategy	4	4	0	0
Group Risk	30	30	0	0
Group Human Resources	1	0	0	1
Total	2 415	2 382	9	24

Despite adapting to remote working with agility, our employees face a different set of risks to their well-being and many employees are suffering from stress and burnout.

Fatigue and extreme stress, combined with wider societal anxieties around Covid-19 and the lack of a clear endpoint, are likely to impact employee well-being. We acknowledge that we already are in the 'new normal' and fear will inevitably continue to rise in line with increasing uncertainty. With these considerations in mind, we have focused extensively on supporting our employees through a number of interventions.

EMPLOYEE WELL-BEING PROGRAMME

Many of our employees had to adapt rapidly to working under lockdown regulations while following safety measures to avoid spreading and catching Covid-19. Adhering to lockdown restrictions and requirements while balancing the productivity expectations at work and expectations in their personal lives was challenging for many of our employees.

The socioeconomic challenges in our communities and society have further exacerbated the impact on our employees and their families. Insights from internal diagnostics also revealed that our employees generally felt anxious about the future, the threat to their health, loss of life and overall work-life integration.

Nedbank strives continuously to provide purposeful well-being solutions and tools to contribute positively towards employee engagement, experience and performance.

The Nedbank Employee Well-being Programme (EWP) is supported by ICAS, an independent service partner that offers confidential, independent counselling services to help employees and their family members deal with personal and professional problems that might adversely impact their work.

There was a progressive shift in focus onto money management, counselling for emotional and mental health, and coaching support for employees.

The rate at which our employees used and engaged with the EWP remains high, at 33,4% (2019: 34%). Although ICAS extended their service to include virtual access through digital mediums such as WhatsApp, live chat and video counselling, there was a noteworthy increase in the use of services only after the lockdown level decreased. The lower use of ICAS, especially during level five, could be linked to the lack of privacy to have sessions while working from home, coupled with restrictions that prevented face-to-face counselling.

Our well-being support included the following:

FINANCIAL WELL-BEING

Internal and external service partners provided regular virtual engagement sessions to give employees guidance and support on financial health. Nedbank continued to provide financial support and opportunities to employees in the following ways:

- A total of 3 226 Nedbank employees and pensioners and their families made use of the Holsboer Vacations and Easy Holidays Resorts benefit (2019: 1 599).
- The Dr Holsboer Education Fund assisted 2 158 employees (2019: 2 153) with a once-off grant for their children to the value of R4 133 020 (2019: R4 134 126).
- The Dr Holsboer Benefit Fund, which assists with medical shortfalls, supported 936 employees to the value of R2 935 244 (2019: 1133 employees - R3 976 179).
- The Gerry Muller Fund assisted 298 Nedbank pensioners (2019: 314) with medical grants for shortfalls to the value of R1 240 307 (2019: R1 251 283).
- Nedbank Study Grants helped fund the children of 116 employees (2019: 191) to study towards first-time degrees or diplomas to the value of R1 589 339 (2019: R2 746 688).

MENTAL HEALTH

Well-being webinars focusing on gender-based violence and mental or emotional resilience to manage fatigue were offered to employees. In addition, there were over 30 well-being talks, 10 classes and two weeks of virtual roadshows, while 2 177 employees benefited from articles, masterclasses, and well-being tips and topics.

There was an intentional focus to equip line managers and HR representatives to lead or manage, with employee well-being at the fore during this uncertain time.

PHYSICAL HEALTH

Digital platforms were leveraged to provide employees with information on Covid-19 and access to medical advice in partnership with the Nedgroup Medical Aid Scheme (NMAS), and to encourage healthy lifestyle management. Employee engagement was increased through virtual awareness sessions.

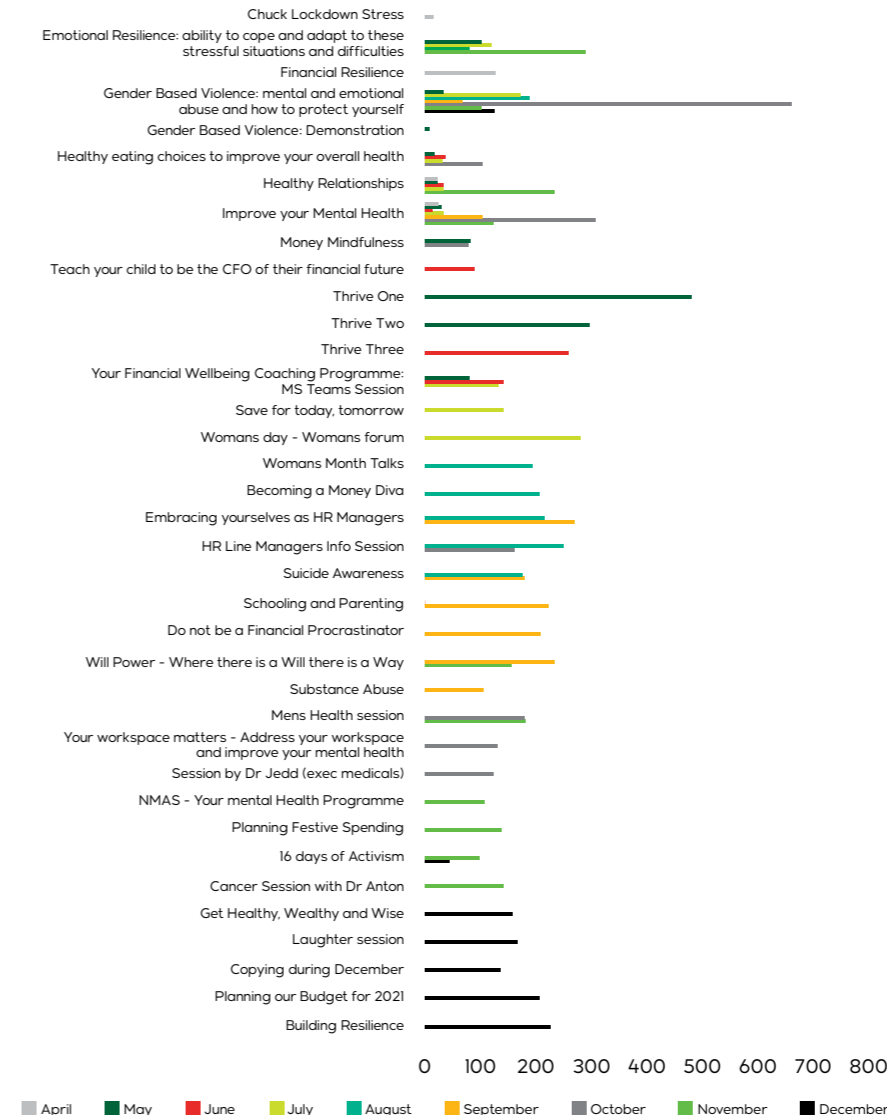
In collaboration with NMAS and under strict Covid-19 protocols, preventative health risk assessment campaigns were hosted for all employees, with specific focus on essential workers.

	2019	2020
Health Risk Assessment (HRA)	2 297	438
Flu vaccine	1 575	1 574

The well-being of our leaders is important for sustainability and performance, which is why the executive healthcare programme participation levels remained high, at 38% (354 of 931 eligible executives). Although this is a decline from the 568 in 2019, it remains over three times higher than industry benchmarks of 11% (2020).

Although 2020 was a challenging year, we increased employee engagement through virtual educational and awareness talks. Over 30% of employees participated in emotional and mental health training initiatives in 2020 (2019: 5%). Below is a graph of all the virtual sessions and the attendance rates:

VIRTUAL SESSIONS ATTENDED BY EMPLOYEES (%)



CASE IN POINT Well-being in Action

The CIB cluster launched Well-being in Action through the JEFF well-being partnership on the Microsoft Yammer page. This programme delivered 30-minute sessions at different times of the day, Monday to Saturday, ranging from health education and cooking to children's classes and physical exercise. The uptake of this initiative was high, with an average of 1 304 employees per month having participated between August and November 2020.

In line with global trends, there was a notable decline in non-urgent healthcare and elective procedures by employees in 2020, as healthcare resources were focused on managing the pandemic.

Sick leave

Overview	2020	2019
Average annual leave man days taken	3,89 days	4 days
Absenteeism rate	2,5%	2,4%
Average sick leave days taken per employee	6,48	6,35

Despite the Covid-19 pandemic, the absenteeism rate of 2,5% is below the annual industry rate of 3,1%, which is equivalent to 5,8 days for the private sector. Employees who had to self-quarantine qualified for special leave if they were unable to resume their duties remotely and did not apply for sick leave while in self-quarantine.

* Absence rate: comparison - Statistics SA - Labour Force Survey (2008-2017)

All the clusters provided well-being initiatives to their employees to promote a healthy lifestyle and work-life balance.

Healthy and high-performing employees *continued*

EMPLOYEE VOLUNTEERISM

The employee volunteering programme is aligned with the Nedbank Foundation overall strategy, which drives the groupwide CSI strategy. We understand that the success of the organisation is inseparable from the well-being of its people and community.

Our employees are an extended pillar of our People Promise ethos. They make Nedbank an organisation that makes a difference in society by giving their time, expertise and resources to the communities where we live and work. The real success of a purpose-led organisation is to leave a legacy that leaves things better than the way we found them for future generations.

As the country experienced significant changes due to Covid-19 in the past year, many organisations in the non-profit sector found themselves stretched beyond expected limits due to increased demand for their services from the most vulnerable groups in our society. While the demand increased, their profits diminished rapidly. Many were able to keep up with increased demands thanks to individual and corporate giving. Giving of time, expertise and resources helped to keep our society inspired. Unfortunately, because of employees going through their own stresses during the pandemic, there was decreased participation across all our Nedbank employee volunteering programmes.

Below are examples of programmes that employees participated in during 2020:

PROGRAMME	OBJECTIVE	IMPACT
Local Hero	To provide financial support to the organisations at which employees volunteer and to recognise employees' efforts.	Number of local heroes in 2020: 73 (2019: 100) Number of non-profit organisations (NPOs) that benefited in 2020: 73 (2019: 100)
Payrol Giving	To facilitate regular financial donations from employees to NPOs through a structured and efficient programme.	Payroll givers in 2020: 4 020 employees (2019: 4 320) Number of organisations that benefited: 12 (2019: 12) Total donation: R3,2m (2019: R2,8m)
Team Challenge	To support, through teams of employees, a variety of NPOs over 10 months with seed funding made available to get the project off the ground.	Number of team challenge participants in 2020: 341 employees (2019: 668) Number of teams in 2020: 20 (2019: 48) Number of non-profit organisations and schools that benefited in 2020: 20 (2019: 48)
Saturday School	To provide extra tuition in English and Maths in grades 5 to 7.	Number of Saturday School volunteers in 2020: 9 (2019: 20) Number of learners benefiting: 47 (2019: 50)

Employee volunteerism programmes were redesigned to find innovative ways to accommodate Covid-19 regulations and protocols. This case study is an example:

CASE IN POINT

Employee volunteerism case study: Home Loans humanity obsession

In 2020, 22 employees across various departments in the RBB cluster decided to do good by enabling homeownership dreams with their expertise through a partnership with the Nedbank Group Foundation and Habitat for Humanity.

The Covid-19 pandemic, however, impacted the original plans, so the original initiative to support communities by building homes became one to provide food and supplies to those in need. The following organisations in Gauteng, KwaZulu-Natal and the Western Cape benefited from this team's efforts: Food Forward, St Mary's Children's Home, TLC Children's Home, Nkosi's Haven, Noordgesig Community, Pheasant Folly Primary, Lawley Primary, Lebohang Centre and the William Clark Gardens Child and Youth Care Centre.

In total 906 hours were volunteered and R118 859 was raised to support 2 541 people.

The beneficiaries received food, clothing, stationery, hygiene and personal-care products, and a variety of donated items collected from employees.

Other employee volunteerism initiatives were as follows:



EMPLOYEE BENEFITS



Nedbank Medical Aid Scheme

NMAS is a restricted medical scheme with outsourced administration and compulsory membership across two employers, Old Mutual Insurance (OMI) and Nedbank. There are 26 979 main members (2019: 27 507), with 19 982 active Nedbank employees (4 329 Nedbank pensioners and employees on disability) and 2 668 OMI employees.

Employees have to be NMAS members as a requirement for employment, except if they belong to their spouse or partner's medical aid scheme.

The Covid-19 pandemic was a catalyst for re-examination some of our benefit offerings to ensure we address the evolving needs of our employees in line with the People Promise. In addition to the medical aid review referred to the above, the following changes were introduced:

- An interim work-from-home policy was formulated and was enforced from midnight, 26 April 2020; it will remain relevant for the entire duration of the nationwide lockdown. This policy is in line with our digital workplace value proposition.
- A new special-leave category was created to accommodate employees who were unable to work from home. Impacted employees qualified for this special leave if they met one or more of the following criteria:
 - » they do not provide essential services and are not equipped or able to perform their duties from home;
 - » they fulfil essential roles but are not required to fulfil their duties due to decreased volumes; or
 - » they are on a 10-day compulsory Covid-19 quarantine and are not equipped or able to perform their duties from home.
- Relaxations of statutory leave:
 - » we extended the 18-month limit on the 23-day cap on statutory leave to 24 months to avoid forfeiture up to 31 December 2020; and
 - » we relaxed the cap on negative leave from five days paid to 15 days paid to allow employees to take more leave for homeschooling and home care.

Interim
WORK-FROM-HOME POLICY

Special
LEAVE

Healthy and high-performing employees **continued**

- Amendments to discretionary leave will encourage employees to take leave and align this benefit more closely with market practice:
 - » capping the discretionary leave encashment during employment to eight days per annum; and
 - » reducing the discretionary leave accrual limit from 50 days to 20 days, effective 1 September 2022.
- Family responsibility leave criteria were relaxed specifically to accommodate working parents who had to undertake homeschooling and home care. We offer six paid leave days over and above annual leave for the following:
 - » family care, granted to employees to care for a sick child, spouse or life partner and for adult care (parents or parents-in-law); and
 - » events covered by compassionate leave, such as the death of the employee's spouse or life partner, parent, adoptive parent, grandparent, parent-in-law, child, adoptive child, grandchild or sibling.
- The annual benefits selection period was streamlined for employees to make their benefits selections for 2021 over a single consolidated period.
- Two interactive virtual Roadshow@ Home benefit sessions were held during the annual benefit selection period and gave 6 000 Nedbankers the opportunity to engage with various subject matter experts during live Q&A sessions.

Relaxations OF STATUTORY LEAVE

AMENDMENTS TO discretionary leave

Family responsibility LEAVE CRITERIA WERE RELAXED

Retirement funds

The group has 10 retirement funds:

- Four in Nedbank Africa Regions (NAR) – Lesotho, eSwatini, Namibia and Zimbabwe.
- Three in CIB International (UK, Isle of Man and Kenya).
- Three in SA – Nedgroup Defined-benefit Pension Fund, Old Mutual SuperFund Pension and Provident Funds (both defined-contribution funds) and the NBS/BOE Retirement Fund.

Five of the funds are defined-contribution (DC) funds (Namibia, Zimbabwe, Kenya, Old Mutual SuperFunds, and NBS/BOE fund) and the other five are defined-benefit (DB) funds (eSwatini, Lesotho, UK, Isle of Man, and Nedgroup Pension Fund). Three of these DB funds (Lesotho, UK and Isle of Man) are in the process of completing a conversion to DC funds and/ or operating as hybrid funds (ie both DB and DC arrangements in one fund).

In 2021 we will continue to focus on improving our range of benefit offerings, which we will offer in a format that is simpler and more self-service-ready and that reinforces our People Promise.

OCCUPATIONAL HEALTH AND SAFETY

Nedbank has an established Occupational Health and Safety (OHS) centre of excellence and health and safety committees that focus on creating, promoting and maintaining a safe and healthy environment for all our employees and stakeholders.

The OHS team guides the group on all health and safety matters and ensures compliance with legislation and regulatory updates. While each of Nedbank's foreign subsidiaries must adhere to the relevant OHS laws and regulations in the countries in which they are located, it is also compulsory for the subsidiaries to comply with the Nedbank Group OHS Policy.

During 2020 the OHS team played a pivotal role in ensuring that Nedbank Group maintained a safe and healthy workplace during the Covid-19 pandemic and complied with all the relevant additional regulatory requirements contained in the regulations and directions issued in terms of the Disaster Management Act (DMA), 57 of 2002.

Nedbank Group Covid-19 Compliance Officer and compliance officials

In its fight against the Covid-19 pandemic, Nedbank appointed a Group Covid-19 Compliance Officer in line with the DMA and the OHS directions issued by the DoEL. The role of the Covid-19 Compliance Officer is to ensure Nedbank's adherence to and continuous monitoring of all the Covid-19 preventative measures. The Group Covid-19 Compliance Officer is a member of the Group Pandemic Steering Committee (GPSC), which is tasked with the overall management of the pandemic in Nedbank and gives subject matter expertise, advice and guidance to the GPSC and business. The Group Covid-19 Compliance Officer assigned section 16(2) appointees as compliance officials to assist him.



Compliance audits and baseline risk assessments

Independent OHS compliance audits are conducted internally once a year and the results of these audits are reported to Nedbank Group management. In 2020, 320 sites were reassessed (2019: 413). The lower number of reassessed sites in 2020 is a result of the two-yearly reassessment cycle, with several sites having been assessed the previous year.

Covid-19 risk assessments were conducted in 252 sites to assess the risk of exposure; implement mitigation measures; and establish the effectiveness of procedures, controls and preventative measures implemented to prevent the spread of Covid-19.

Standard operating procedures and guidelines were developed to address common findings from the risk assessment reports. Recommended control measures from the reports were implemented and are continuously monitored for adequacy and effectiveness.

Tests for hazardous biological agents (HBAs) were also conducted at selected branches and none of them were found to be HBA sites.

Training and awareness

Management is responsible for ensuring that OHS appointees are available and trained for their health and safety roles as part of their daily work-related activities, and that they attend regular refresher programmes.

In 2020 a total of 508 OHS appointees (2019: 1 057) received this training. Training was suspended due to the Covid-19 pandemic, resulting in fewer employees being trained in 2020. Virtual training resumed in October 2020.

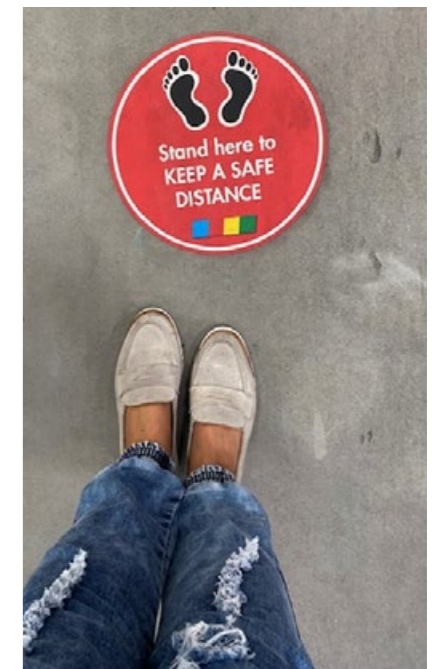
It is compulsory for all employees to complete online OHS awareness training and acknowledge the Nedbank Group OHS Policy. Employees must also indicate that the Incident Reporting and Investigation Procedure was read and understood. The completion of the training and policy acknowledgements are tracked and progress reported to the relevant governance committees.

In support of government's efforts to combat the spread of Covid-19, Nedbank developed a dedicated Covid-19 portal with important information and resources such as standard operating procedures, guidelines and policies, news updates, and frequently asked questions (FAQs). The portal ensures that information related to Covid-19 is readily available and can easily be accessed by all Nedbank employees. It is updated regularly with new information to ensure that employees are always informed of new developments or decisions taken at the GPSC to combat the spread of the virus.

We developed a Covid-19 pledge for employees to take as a symbol of their commitment to our joint effort to prevent the spread of the coronavirus. Employees responded well and confirmed their commitment in all their actions and interactions. A guideline was developed on Covid-19 risk factors, and measures were put in place to ensure that employees, clients, contractors and visitors are aware of Covid-19 risks and measures that must be taken to protect themselves and others against the virus.

Employees were encouraged to disclose their vulnerabilities to enable line managers to make special arrangements to accommodate them. Some of the measures taken included allowing vulnerable employees to work from home or dedicating office space with extra precautionary measures for the sole use of vulnerable employees who could not work from home.

Regular communication with employees includes messages from the CEO, Group Chief Compliance Officer and other Group Exco members, and is also done through the dedicated Covid-19 portal.



Emergency medical facilities

Our medical emergency (first-aid) rooms are equipped with emergency equipment and our first aiders are fully trained to assist during an emergency. A total number of 142 first aiders were trained during 2020 (2019: 363). The lower number of employees trained in 2020 is a result of the suspension of training due to the Covid-19 pandemic.

Healthy and high-performing employees **continued**

Incident reporting

All injuries on duty (IODs) are attended to by our trained and accredited first aiders. IODs are immediately reported to the Compensation Commissioner in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993. The table below shows the number of incidents recorded in 2020:

Incident category	Number of incidents 2020	Number of incidents 2019	Number of incidents 2018
Medical	53	151	191
Workmen's compensation claims – Nedbank	45	90	100
Workmen's compensation claims – contractors	0	0	0
Injuries – the public or visitors	37	48	59
Fatalities – Nedbank	0	0	0
Fatalities – the public or visitors	0	1	0

In 2020 there were 43 (2019: 112) first-aid cases that involved IODs that led to minor treatment such as the application of a plaster.

Our lost-time-injury frequency rate for 2020 is 0,32 (2019: 0,82). The total recordable injury frequency rate decreased significantly from 0,28 in 2019 to 0,13 in 2020. The decrease in this rate can be attributed to the heightened OHS awareness created among employees and the large number of employees who worked from home. Medical conditions such as migraines, nausea and asthma attacks are not included in this figure, as they are primary-health issues and not occupationally induced. Only injuries that occur while a person is on duty are included in the injury rate.

Covid-19-related reports are submitted to various regulators in line with the regulatory requirements. A total of 2 415 employees were infected with Covid-19 during 2020 and there were nine fatalities. None of the infections or fatalities were a result of work exposure. Standard operating procedures are in place to address and report incidents involving employees or clients on Nedbank premises having Covid-19. Regular Covid-19 reports are submitted to the Nedbank Group Exco and Nedbank Limited Board to support effective oversight and overall risk management. The development and rollout of a Nedbank vaccination plan in alignment with the government's phased vaccination approach is a key focus area for 2021.

Covid-19 controls monitoring

Nedbank developed a groupwide risk assessment plan to ensure that all Covid-19-related risks have been assessed and appropriate controls implemented in alignment with the various regulatory requirements that were issued. This plan was approved by the Group Exco and was also submitted to the DoEL in line with regulatory requirements.

Based on the outcome of the risk assessment, a questionnaire on the compliance requirements was drafted and had to be completed by compliance officials in the branches and at campus sites. The questionnaire also served as a reminder and a checklist of the controls that had to be adhered to. The self-assessed levels of compliance have been consistently high (in excess of 98%) since July 2020. The number of areas needing improvement were communicated to management for remediation and they decreased with each questionnaire issued. The results of the questionnaire and the completion status are reported to the NPSC, Group Exco and the Nedbank Limited Board when necessary. Group Compliance further conducted independent monitoring of the controls implemented by Nedbank to ensure compliance with the Covid-19-related regulatory requirements, and these were found to be adequate and effective.

Onsite reviews by the authorities

During the 66 Nedbank onsite inspections conducted by the DoEL or Department of Health (DOH) in 2020, five improvement and prohibition notices were issued. These notices were issued during the first two months while the controls were still being interpreted and embedded. The findings were resolved and the notices were withdrawn accordingly. No further notices were issued during all the subsequent inspections. The Covid-19 Compliance Officer and compliance officials supported management during Covid-19 inspections by providing onsite advice and serving as liaison between management and the inspectors from the DoEL and the DOH where needed, as well as addressing any queries or identified issues promptly.



INJURY FREQUENCY RATE
decreased
SIGNIFICANTLY

66 onsite
INSPECTIONS
WERE CONDUCTED

2 145
EMPLOYEES
CONTRACTED COVID-19

Managing our employee relations

The Covid-19 pandemic affected almost all businesses, including their management of employee relations.

Businesses were expected not only to redefine their 'workplaces' and adapt their policies and practices accordingly, but also to find innovative ways of managing or leading their teams in a changing environment to maintain productivity, health and harmony. Nedbank was no exception. As we sought to respond adequately to the pandemic by balancing the need to continue serving our clients while protecting the well-being of our employees, flexible work arrangements were initiated. Most employees were enabled to work from home or remotely, which means we had to adapt our policies and practices to accommodate the evolving digital workplace. Although the work is ongoing, we were able to establish the foundations of managing sound employee relations, as well as the relationship with our trade union, Sasbo, in a fluid and digital environment.

DISCIPLINARY AND GRIEVANCE PROCEDURES

The focus continued to be on improving the employee relations climate by minimising grievances and disciplinary incidents. This goal was achieved to some extent, with grievances having decreased significantly to 178 (2019: 252) and incidents of misconduct having decreased to 3 054 (2019: 4 376). In response to the health concerns around face-to-face engagements, we also adapted our methods of conducting grievance and disciplinary inquiries to include virtual platforms.

GRIEVANCES

A stable employee relations climate depends largely on the ability of employees to resolve their workplace grievances effectively. To this end, our grievance policy encourages resolution of grievances as quickly, informally and close to source as possible, with escalation allowed where resolution has failed. Formal grievances continued to decline year on year, with a total of 178 registered in 2020 (2019: 252; 2018: 306).

DISCIPLINARY ACTION

Our commitment to corrective discipline was again demonstrated in the types of disciplinary action taken to correct employee misconduct, as far as it was possible. In 2020 the total number of incidents of misconduct addressed via disciplinary processes declined from 4 376 in 2019 to 3 054 in 2020, which is a pleasing reduction of 1 322 incidents. This is a welcomed trend that is aligned with our commitment to reducing workplace disputes.

INCAPACITY OR UNDERPERFORMANCE

A high-performance culture at Nedbank requires a consistent focus on employees' ability to deliver on their goal commitments and to be offered assistance where they fall short. While informal and constant performance feedback are encouraged, serious cases of underperformance are addressed formally via our incapacity processes. A total of 337 employees underwent incapacity processes (2019: 786; 2018: 793). The dramatic decline may again be explained in part by the Covid-19 interruptions, which saw performance contracts in some cases being revised to accommodate the changed reality.

CCMA REFERRALS

Our commitment to the fair treatment of employees is demonstrated in the relatively small number of disputes that are referred to the CCMA when compared to the total incidents of disciplinary action. CCMA referrals declined to 119 (2019: 162), with the majority of these cases having been decided in the bank's favour. This highlights the robustness of our internal processes and our commitment to fairness. We will continue to seek fair settlements of disputes at the conciliation stage as far as possible, which minimises risk to the bank and increases stability. We will also continue to use learnings from CCMA and Labour Court decisions to improve our employment practices to avoid or mitigate further disputes. Reported Covid-19 infections in many of the CCMA offices resulted in the offices being closed and cases being rescheduled.

GRIEVANCES DECREASED
SIGNIFICANTLY TO
178
(2019: 252)

Decline
IN DISCIPLINARY ACTION IS
ALIGNED WITH OUR
COMMITMENT TO REDUCING
WORKPLACE DISPUTES

Decline
IN CCMA DISPUTES

THE BANK ENSURES THAT ALL
EMPLOYEES ARE AWARE OF
THEIR RIGHT TO FREEDOM OF
ASSOCIATION AND IS INFORMED
OF THE RELATIONSHIP
WITH SASBO

Nedbank
IS COMMITTED
TO RETRENCH ONLY
AS A LAST RESORT

Managing our employee relations **continued**

COLLECTIVE BARGAINING

Our promise to employees is always to be fair to them. This means respecting the rights of employees, including their right to freedom of association. Nedbank's position is reflected in a number of documents, including the employee relations policies and the recognition agreement between the bank and its trade union partner. Nedbank recognises Sasbo as the collective bargaining agent for employees in the defined bargaining unit. Through this relationship we have negotiated terms and conditions of service for employees, and in a difficult economic and trading environment we concluded a wage settlement of a 6,3% increase in the guaranteed package for 2020.

On issues where negotiation with the union is not a requirement, such as introduction or revision of policies, the bank still consults with the union to ensure buy-in and/or alignment.

The bank ensures that all employees are not only aware of their right to freedom of association, but also informed of the relationship with Sasbo. The recognition agreement and other references to the union are published on the bank's intranet, which is accessible to all employees. Collective agreements with Sasbo are also published bankwide.

The union is very involved in the affairs of Nedbank employees. Sasbo officials can access any Nedbank site to conduct union affairs, including recruiting new members, without any hindrance from management. As a result of lockdown restrictions due to Covid-19, the bank facilitated remote or virtual access to its offices to ensure continuity of services to employees. As testament to this cooperation, we have not had a single dispute or grievance about trade union activities being thwarted by the bank.

There are monthly meetings between the bank and the union to address operational activities that affect employees. The agenda is set by both management and the union. Accordingly, the union is at liberty to propose anything that impacts the working conditions of employees. These meetings bring alignment on key issues, which is key to avoiding or minimising disputes and contributing to a stable employee relations climate. Again, due to Covid-19 restrictions, these meetings took place on virtual platforms in 2020.



RESTRUCTURING AND RETRENCHMENTS

Nedbank has embraced fully the need to respond to changing client behaviour and demands due to the influence of new technologies. This was accelerated by the onset of Covid-19, which fundamentally altered ways of working. Consequently, some roles were affected through, among other things, automation and digitisation. Despite this, Nedbank has always been responsible about retrenching affected employees. Through consultations with Sasbo and affected employees, we have successfully implemented changes with minimal redundancies. Out of thousands of impacted roles, only 18 (2019: 158) employees could not be accommodated. This confirms Nedbank's continued commitment to retrench only as a last resort, while stepping up efforts to assist impacted employees through new or improved skills so they can be better positioned for alternative opportunities in or outside Nedbank.

INDUSTRIAL ACTION

No hours were lost due to industrial action directed at the bank in 2020. This is also testimony to the strength of the bank's relationship with Sasbo, which is based on mutual appreciation and respect for each other's roles and commitment to peaceful resolution of differences.

Conclusion

Although the Covid-19 pandemic challenged organisations globally, Nedbank managed to earn several accolades, including the following:

- The Most Helpful Bank in Africa during Covid-19.
- The Most Helpful Bank in South Africa during Covid-19.
- The Most Recommended Retail Bank Credit Card in SA.
- Employer of Choice: Large Organisations.
- Top Empowerment Award, for our participation in the YES programme.

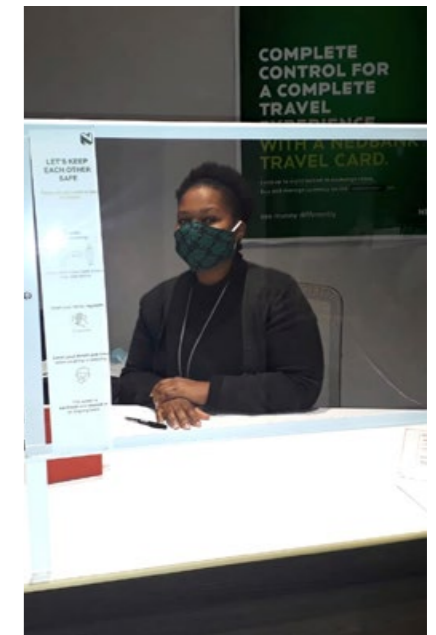
The achievement of a level 1 BBBEE status reflects a culmination of Nedbank's ongoing commitment to sustainable transformation in an exceptionally challenging environment. Nedbank has increased its representation of underrepresented groups across senior-, middle- and junior-management levels, evidencing its commitment to transformation despite a total permanent headcount decrease of 2 925 over the past three years. The annual skills development spend increased significantly in the drive to upskill and reskill our employees, resulting in our achieving 15,99 skills development points (2019: 15,67).

In line with our People Promise, we made significant progress with talent mobility, providing 9,7% of our employees with the opportunity to move within the organisation through promotions and crosscluster or divisional transfers.

While many of our employees were able to seamlessly continue in their roles remotely, employees in the essential-workforce category continued to serve our clients onsite on a rotational basis. Special leave was introduced to accommodate employees who were not able to perform their normal duties for various reasons, and family responsibility leave criteria were relaxed specifically to accommodate working parents who had to undertake homeschooling and home care.

The agility with which the strategic objectives were pivoted in response to the pandemic is evidence of Nedbank's commitment to its purpose and the People Vision. We will not be living in a pre- and post-pandemic world, but a pre- and post-vaccine world. A world where boundaries and the way we lead and work have shifted. And with that shift comes a culture shift that challenges employees to #BeTheDifference.

Nedbank is confident that it has proven that, despite the challenges, it is grounded in its purpose and values, which has given us a competitive advantage during a challenging macro context. In 2020 Nedbank continued to make a difference by using its financial expertise to do good for individuals, families, businesses and society.



**TOP
EMPOWERMENT**
SUMMIT & AWARDS | VIRTUAL EXPERIENCE



Nedbank was formally recognised on four occasions for its efforts in transformation, diversity and inclusion, and its aspirations as an employer of choice during 2020:

- Nedbank was recognised by Business Engage for our ongoing commitment to gender equity at the eighth annual Gender Mainstreaming Awards. A total of 310 JSE-listed organisations participated and Nedbank placed second in the 'Reporting of JSE-listed Boards' category.
- Nedbank won the category 'Employer of Choice: Large Organisations' at the Topco Media 'Future of HR Awards' for outstanding achievement in November 2020. This achievement was awarded in recognition of the HR strategies and practices implemented at Nedbank that directly impact business performance and innovation.
- The SAGEA Awards celebrate the achievements of SA's leading graduate employers. Nedbank was awarded third place in the category 'Employer of Choice: Commercial and Retail Banking'.
- Nedbank's participation in the YES programme resulted in its winning the 2020 Top Empowerment Award 2020 for its outstanding achievements as a top empowered company in its sector and for contributing to the growth and sustainability of the South African economy.

TRANSFORMATION REVIEW

As we find ourselves amid a once-in-a-generation event, the importance of taking stock of our surroundings becomes paramount. Often, we realise too late that by getting caught in the whirlwind wreaking havoc around us, we lose sight of what is important and what it means to be human.

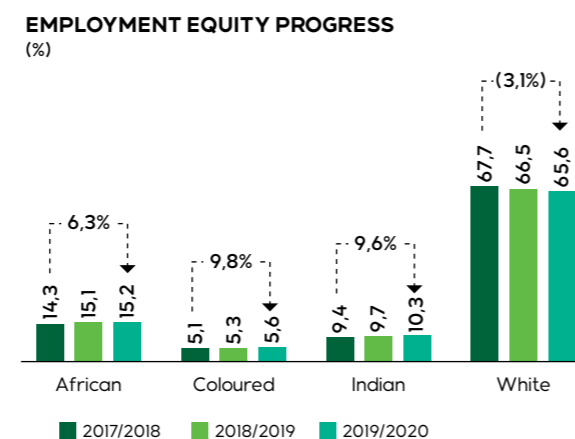
Khensani Nobanda, Group Executive: Group Marketing and Corporate Affairs



Last year did not start on a good note. The increasing impact of the Covid-19 pandemic was felt by individuals, families, businesses and societies, as infection rates escalated globally and locally in SA. In tandem, the economic outlook remained bleak, accelerated by political volatility, policy uncertainty, Moody's and Fitch's sovereign-credit-rating downgrade and an almost non-existent stream of foreign direct investment. Unemployment in the fourth quarter of 2020 soared to 32,5%, while business liquidations rose by 20,5%, as revealed by Statistics South Africa. The South African Reserve Bank (SARB) cut its gross domestic product forecast for 2020 to -7,1% (previously -8,0%), with a slightly stronger forecast of 3,6% for 2021.

Under these difficult domestic conditions, company profits and household finances deteriorated during the year, resulting in subdued credit demand, lower transactional volume growth and rising defaults across the South African banking industry. Consequently, and recognising that transformation and growth are positively correlated, the broad-based black economic empowerment (BBBEE) landscape was not left unscathed.

The BBBEE Commission did not grant regulatory reprieve on implementation of initiatives affected by the national Covid-19 lockdown and continued to challenge entities that have broad-based trusts forming part of their ownership structures. The South African National Accreditation System (SANAS) indicated that BBBEE verification will continue through lockdown, albeit remotely as opposed to onsite visits. Progress on employment equity (EE) continued to be almost stagnant, as illustrated alongside:



Amid this challenging environment, matters of justice, discrimination and equality escalated, as the passing of George Floyd created a ripple effect that was felt across the world. Unfortunately, gender-based violence also increased in SA, leaving women more vulnerable and at risk. The importance of these factors was affirmed through a prominent finding from the 2020 *State of transformation during a pandemic* survey by Transcend, noting that 'diversity still matters #BlackLivesMatter'.

Despite these challenges, the Banking Association of South Africa (BASA) continued to play a critical role by helping companies with the money needed to stabilise and ultimately grow their businesses. Since the onset of the crisis in March 2020, banks have voluntarily provided relief to individuals and companies amounting to over R50bn. In addition, through the Loan Guarantee Scheme – a joint initiative with government and SARB – commercial banks provided businesses with a further R16bn in concessionary loans.

Other relief measures included a wage support scheme through the Unemployment Insurance Fund, a loan guarantee scheme administered by South African banks and the deferral

of payment for certain taxes. President Cyril Ramaphosa also announced a payment holiday for the Skills Development Levy payments for tax periods from May to August 2020, and the Financial Sector Transformation Council (FSTC) amended the original guidance note on consumer financial education (CFE) to ensure inclusion of information about special or temporary economic and financial dispensations meant to support businesses and consumers during the lockdown.

While the long-term impact of Covid-19 is yet to be determined, it can be inferred from recent research conducted by EY, Accenture and KPMG, that Covid-19 has had an accelerating effect on digital channels; the need for diversification into new sectors; greater collaboration with financial technology companies (fintechs); a more agile and holistic approach to regulatory compliance and risk modelling; contactless payments; the need to update default rates; and an enhanced requirement for trust, empathy and ethics from clients and employees. Specifically, greater work flexibility and the need for a diverse and inclusive culture will become the norm.

Strategic and transparent communication to all stakeholders to manage the flow of relevant information will continue to be

imperative during this rapid workplace transformation. According to a World Economic Forum study on the future of work, 'working from home has accelerated the shift from digitising the relationship between firm and customer to digitising the relationship between employer and employee'.

In conclusion, at Nedbank we recognise that without the continued transformation of the formal economy, more than 50% of our population will continue to live in poverty. We require a nation that is united towards economic and social prosperity to transform the economy. Our focus remains on heeding the call of President Ramaphosa to support the national agenda and 'take the lead in transformation as we repurpose the economy for growth'.

As a brand anchored in its purpose we strive to create long-term value and not to maximise short-term profits and enhance shareholder value at the cost of other important stakeholder groups. We continue to work incredibly hard to make sure we play our part in ensuring that we leave no-one behind by enabling transformation holistically, beyond a scorecard or any other measurement indicator, to deliver value to society.

Our response to Covid-19

In response to Covid-19, the SA government implemented emergency measures to curb the spread of the virus through a nationwide lockdown to 'flatten the curve'. While this had a devastating impact on the economic well-being of the country and its citizens, we primarily focused on the health and safety of employees and clients as they managed their finances throughout the pandemic. Some highlights are depicted below:

Nedbank CE Mike Brown was one of the first CEs to respond to the President's call to pledge one-third of his salary to the Solidarity Fund for three months.

We reduced charges for South African Social Security Agency grant beneficiaries and made more paypoints available for grant collection, which helped maintain social distancing in queues at branches and retail stores.

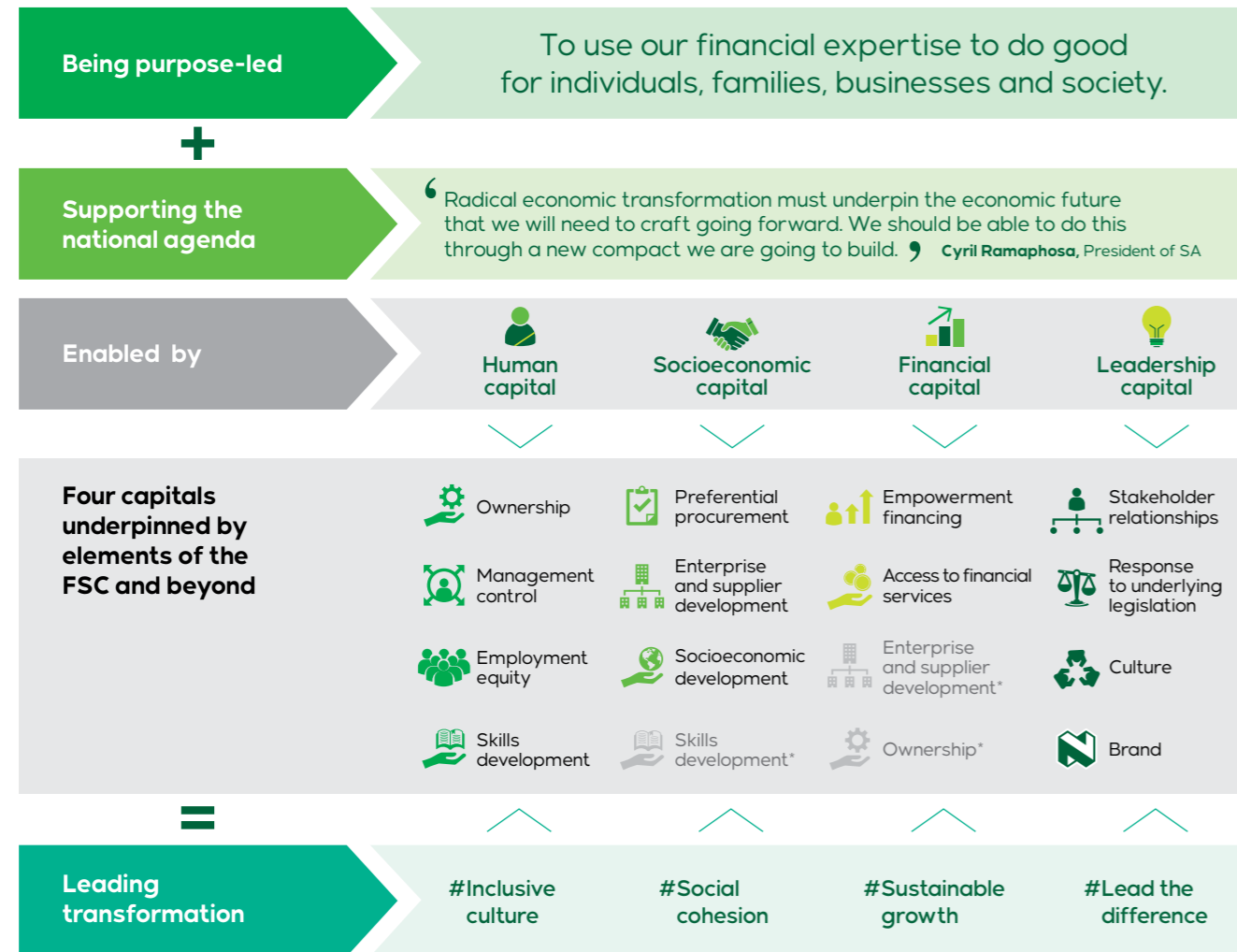
We created a Nedbank Covid-19 portal, which kept over 29 000 employees and 8 million clients informed of the Covid-19 developments.

Nedbank was named Best Retail Bank in South Africa at the 2020 Global Banking and Finance Awards for Excellence, through favourably positioning the brand in response to Covid-19.

Partnered with World Vision to provide food relief to 1 792 families, benefiting over 6 092 individuals across the country.

Our approach to transformation

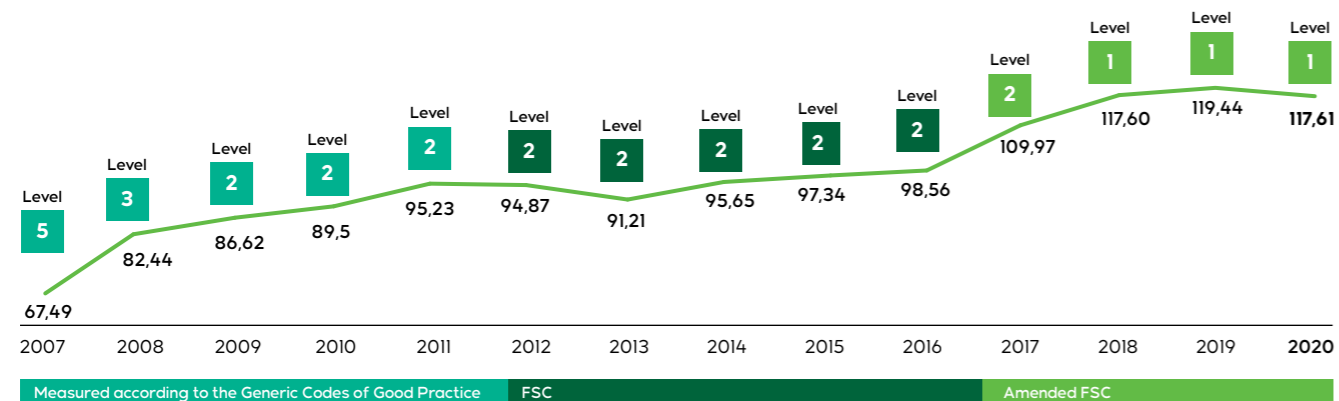
We are committed to transforming and advancing a national social compact to rebuild the economy, being a catalyst for inclusive growth and enhancing social cohesion in SA. Our philosophy for purpose-led transformation is that it must transcend legislation to meet national interests, while leveraging components of human, socioeconomic, financial and leadership capital.



* Overlapping FSC elements indicated in grey.

LEVEL 1 RETAINED FOR THE FINANCIAL YEAR 2020

We retained a level 1 BBBEE contributor status for the third consecutive year in 2020 under the Amended Financial Sector Code (FSC), having achieved level 2 BBBEE contributor status for 10 consecutive years since 2009. The marginal year-on-year decline in the score was influenced primarily by the challenging socioeconomic climate, exacerbated by Covid-19 impacts. Despite the difficult environment, we remained true to our purpose statement to use our financial expertise to do good – to not only transform inwards, but to also contribute towards a prosperous society. The results below reflect a culmination of our ongoing commitment to sustainable transformation.



HIGHLIGHTS OF 2020

- FUNDED R818m** THROUGH AFFORDABLE HOUSING TOWARDS STUDENT ACCOMMODATION, PROVIDING 8 929 BEDS.
- PARTNERED WITH SARB AND NATIONAL TREASURY ON THE R200bn** SME LOAN GUARANTEE SCHEME, APPROVING 1 579 LOANS EQUATING TO R765m.
- DISTRIBUTED R300m** FROM THE SOUTH AFRICAN FUTURE TRUST TO ABOUT 2 500 SMALL-BUSINESS EMPLOYEES, EQUATING TO PAYMENT OF 26 000 INDIVIDUAL SALARIES.
- CONTRIBUTED R16,5m** TO COVID-19 EFFORTS TO HELP THE RED CROSS, WORLD VISION, DOCTORS WITHOUT BORDERS, GIFT OF THE GIVERS, DOCTORS ON CALL AND RANYAKA.
- CONTRIBUTED R2m** TO SET UP A FIELD HOSPITAL IN KHAYELITSHA FOR COVID-19 ISOLATION AND TREATMENT, BENEFITING OVER 8 000 INDIVIDUALS.
- CONTRIBUTED R3,8m** TOWARDS UNIVERSITY FEES FOR 45 STUDENTS TO THE SAICA-ADMINISTERED THUTHUKA BURSARY FUND.
- COLLABORATED WITH SA'S LARGEST CROWDFUNDING PLATFORM, THUNDAFUND, THROUGH SIMPLYBIZ, PROVIDING RELIEF FOR 58 SMALL BUSINESSES EQUATING TO R528 000** FROM 480 FUNDERS DURING LOCKDOWN.
- HELPED MORE THAN 225 000** CLIENTS WITH DEBT RELIEF OPTIONS ACROSS VARIOUS PRODUCT RANGES.
- WON THE Youth Employment Services Award** AT THE TOP EMPOWERMENT AWARDS.
- SUCCESSFULLY LAUNCHED THE Avo app,** WHICH REVOLUTIONISED THE WAY SOUTH AFRICANS SHOP AND SELL. AVO EMPOWERS CLIENTS AND BUSINESSES TO 'DO LIFE DIFFERENTLY'
- OFFERED A DEBT-FUNDING FACILITY TO DARTCOM FOR PROCUREMENT OF PERSONAL PROTECTIVE EQUIPMENT FOR HEALTHCARE PROFESSIONALS IN THE FIGHT AGAINST Covid-19.**

WON NUMEROUS AWARDS FOR THE MONEY SECRETS CAMPAIGN, INCLUDING THE FOLLOWING:

- A LOERIE GRAND PRIX WINNER (AWARDED FOR TRULY EXCEPTIONAL AND HIGHEST STANDARD OF CREATIVITY).
- NEW YORK FESTIVAL (MIDAS): TWO GOLD AND ONE SILVER MEDAL.
- CREATIVE CIRCLE AD OF THE YEAR FILM CATEGORY: THIRD PLACE.

Our 2020 BBEE performance

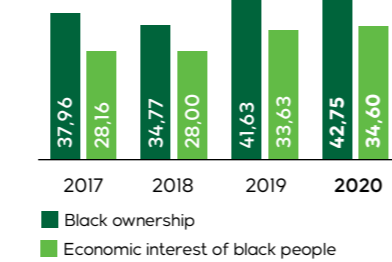
OWNERSHIP

One of the main objectives of the Amended FSC is to drive the continued growth of real black ownership of SA's financial assets. The primary method of achieving this is by stimulating a steady increase in the number of black people in the country who have direct and indirect access to equity in economic assets and, equally important, empowering these individuals or groups to take control of how those assets are used for the benefit of everyone in the country.

Large banks are capital-intensive and require shareholders who can access deep pools of capital and, as a result, globally large bank ownership is almost entirely institutional, with low levels of direct individual ownership. South African banks should not be materially different in this respect.

The reported black ownership has fluctuated between 2017 and 2020, due to the independent competent person analysing the company's share register to determine the voting rights and economic interest derived from mandated investments using the measurement approach as defined in the Amended FSC after the exit of black shareholders who received shares through black empowerment schemes established in 2005. The deal matured in 2015, at which point beneficiaries were free to dispose of their interests.

OWNERSHIP (%)



Amid the volatile socioeconomic climate, Nedbank, Old Mutual and the Black Business Partners (BBP) Legacy Programme launched in 2015, continue to forge strong relationships, as highlighted below:

CASE IN POINT

Continuing to create an enduring legacy

We established the Nedbank BBP Legacy Trust to manage our R100m commitment to the BBP Legacy Programme. The programme comprises three broad-based investment streams:

COMMERCIALISATION

of small-scale farming and food security led by Women Investment Portfolio Holdings (WIPHOLD).

JOB CREATION

and support of entrepreneurs led by Brimstone.

DEVELOPMENT

of township economies and urban renewal led by Izingwe.

The parties have committed a total endowment of R300m. To date over R180m has been disbursed across the three streams.

Some of the projects and initiatives that the fund supports:

Pick n Pay Township Revitalisation Programme - The Pick n Pay Township Revitalisation Programme sees Pick n Pay partnering with a number of spaza stores across the country to upgrade and formalise their operations to meet the needs of customers and communities better and improve the profitability of store owners. All the Market Stores on the programme continued trading through the national lockdown in 2020. However, most experienced a fairly significant decline in income, with average sales across all stores down 21% over the year. Profit margins also declined for most stores, with the average gross profit dropping to 20.1% in 2020 relative to 25% in 2019. But the vast majority managed to keep the jobs they have created, or to appoint more people. A total of 220 jobs was targeted for the stores funded by the BBP Legacy Programme, and currently 282 jobs have been preserved or created. The Business Banking team provides transactional banking to 39 of the Market Stores and provided more funding to another 12 stores.

Pay 4 Performance - The Pay 4 Performance (P4P) project enjoyed its second year in 2020, and was facilitated by the Harambee Youth Employment Accelerator, which focuses on upskilling and getting young people who have been economically excluded into entry-level jobs. Focus areas included digital skills such as coding. Unfortunately, the arrival of Covid-19 created significant challenges for the P4P project. By the middle of 2020, stakeholders agreed that the targeted outcome of participant placements for 12-month periods or longer was no longer viable. It was decided to exit the Bonds4Jobs instrument and unwind the P4P project. Despite the project closing prematurely, 1 209 candidates were trained and placed in full-time employment, building on the 600 jobs that were created in the pilot phase. It is hoped that this model can be replicated by the state skilling system in time to help address the significant youth unemployment challenge across the continent.

Centane and Mbashe Agricultural Initiative - The Centane and Mbashe Agricultural Initiative (CMAI) was started by WIPHOLD as a project focused on proving that rural communities can profitably and sustainably farm communally owned land. The project benefits over 3 000 community members and over the past five years, has been delivering steady progress and growth. This trend continued in the 2019/2020 financial year with the 2020 harvest the biggest to date; due in part to the exceptional rains experienced in the region over the season as well as the diligence of the community securing their crops during the Covid-19 lockdowns. Economic benefits of having a farming operation on their land include annual cash payments based on crop sales (while currently modest) and an annual maize allocation. Social benefits include a more united local community with a common purpose and increased employment opportunities as well as anecdotal reports of a drop in crime and higher rate of children attending school.

Agriqua Taung - The commodities grown in the Taung region of North West are cotton, wheat, barley, sunflower and groundnuts. Agriqua Holdings Proprietary Limited is an incubator established by GWK that provides business development support and specialist technical support to 65 emerging farmers with 700 ha under management. Each farmer is allocated a minimum of 10 ha with the objective being to support these emerging agribusinesses to achieve commercialisation and have complete control of the value chain. The Legacy Programme has invested R6m over three years (2019-2022) for input costs for the farmers. Since inception the farmers have had four production cycles of experiential learning with two full-time mentors. Technical farming expertise has been transferred with the average yields produced at commercial levels in some of the commodities. The model allows for monthly stipends for the farmers that are offset against crop sales so that basic needs are covered during the growing season. Business management and financial farm management are areas to be focused on in the future.

MANAGEMENT CONTROL

We continue to place transformation at the core of our strategic priorities while demonstrating our ongoing commitment to reflect the country's demographics in our leadership composition.

Composition of the Nedbank Group Limited Board and the Nedbank Exco for the financial year 2020.

BOARD OF DIRECTORS

Independent non-executive



VASSI NAIDOO ⁶⁶
Chairman: Nedbank Group and Nedbank Limited
5 years on the board



MPHO MAKWANA ⁵⁰
Lead Independent Director
Chair: DAC, GRPTC, GTSEC
> 9 years on the board



HUBERT BRODY ⁵⁶
Chair: Remco
3 years on the board



BRIAN DAMES ⁵⁵
Chair: GCRC
6 years on the board



NEO DONGWANA ⁴⁸
3 years on the board



ERROL KRUGER ⁶³
Chair: GRCMC, GCC
4 years on the board



LINDA MAKALIMA ⁵²
3 years on the board



PROF TSHILIDZI MARWALA ⁴⁹
1 year on the board



DR MANTSIKA MATOOANE ⁴⁵
Chair: GITCO
6 years on the board



STANLEY SUBRAMONEY ⁶²
Chair: GAC
5 years on the board

Non-executive



ROB LEITH ⁵⁸
4 years on the board



IAIN WILLIAMSON ⁵⁰
< 1 year on the board

Executive



MIKE BROWN ⁵⁴
Chief Executive
16 years on the board



MIKE DAVIS ⁴⁹
CFO
< 1 year on the board



MFUNDO NKUHLU ⁵⁴
COO
6 years on the board

Non-executive directors are given no fixed term of appointment, and all directors are subject to retirement by rotation in terms of the company's memorandum of incorporation. An executive director is required to retire from the board at age 60, unless otherwise agreed by the board.

Executive directors are subject to six-month notice periods. This excludes the CE, who is subject to a 12-month notice period. Executive directors are discouraged from holding significant directorships outside the group.

Board changes since the 53rd AGM

Additions Iain Williamson (Old Mutual Limited nominee in terms of the relationship agreement), Mike Davis (CFO)

Retirement Joel Netshitenzhe **Resignation** Raisibe Morathi (CFO)

Board nominees for the 54th AGM

Election Iain Williamson, Mike Davis (CFO) **Re-election** Neo Dongwana, Mfundo Nkuhlu and Mpho Makwana (given that he will have been on the board for longer than nine years, he will put himself forward for annual election by shareholders).

YOUR VOTE IS NEEDED ON
Director elections

Board representation at 31 March 2021.

Our 2020 BBBEE performance continued

Our Group Executive Committee

The Nedbank Group Exco is a diverse and experienced management team that comprises the Chief Executive (CE), Chief Operating Officer (COO), Chief Financial Officer (CFO) and 10 other members of top management.

Our nine prioritised SDGs are allocated to Group Exco members who champion groupwide responses to the SDGs.

Refer to pages 87 to 88 for our progress on sustainable development finance.

Frontline M&Es



ANÉL BOSMAN 54
Group Managing Executive: CIB
Exco member since: 1 April 2020
18 years' service at Nedbank

Executive directors



MIKE BROWN 54
CE
Exco member since: 17 June 2004
Appointed CE: March 2010
26 years' service at Nedbank



MFUNDO NKUHLU 54
COO
Exco member since: 1 December 2008
15 years' service at Nedbank



MIKE DAVIS 49
CFO
Exco member since: 1 January 2015
23 years' service at Nedbank



CIKO THOMAS 52
Group Managing Executive: RBB
Exco member since: 18 January 2010
10 years' service at Nedbank



IOLANDA RUGGIERO 50
Group Managing Executive: Wealth
Exco member since: 1 May 2015
16 years' service at Nedbank



DR TERENCE SIBIYA 52
Group Managing Executive: NAR
Exco member since: 1 April 2020
8 years' service at Nedbank



TREVOR ADAMS 58
Chief Risk Officer
Exco member since: 5 August 2009
23 years' service at Nedbank



DEB FULLER 48
Group Executive: Group HR
Exco member since: 25 June 2018
2 years' service at Nedbank



ANNA ISAAC 52
Group Chief Compliance Officer
Exco member since: 1 January 2019
22 years' service at Nedbank



PRIYA NAIDOO 47
Group Executive: Strategy
Exco member since: 1 January 2015
18 years' service at Nedbank



KHENSANI NOBANDA 42
Group Executive: Group Marketing and Corporate Affairs
Exco member since: 15 May 2018
2 years' service at Nedbank

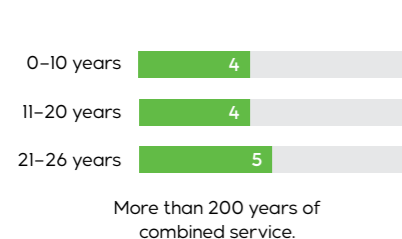


FRED SWANEPOEL 57
Chief Information Officer
Exco member since: 1 November 2008
23 years' service at Nedbank

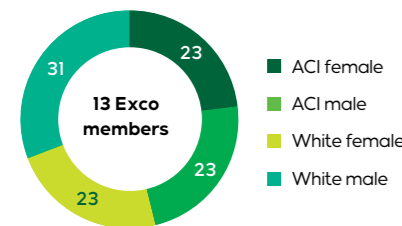
Group Exco changes during the year:

- Additions:** Anél Bosman (1 April 2020)
Dr Terence Sibiyi (1 April 2020)
- Change:** Mike Davis CFO (1 October 2020)
- Retirement:** Brian Kennedy (31 March 2020)
- Resignation:** Raisibe Morathi (30 September 2020)

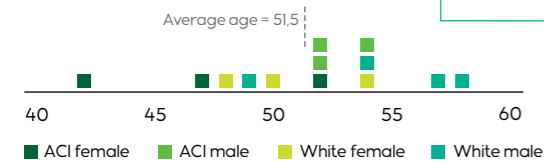
GROUP EXCO TENURE AT NEDBANK



GROUP EXCO DEMOGRAPHICS (%)



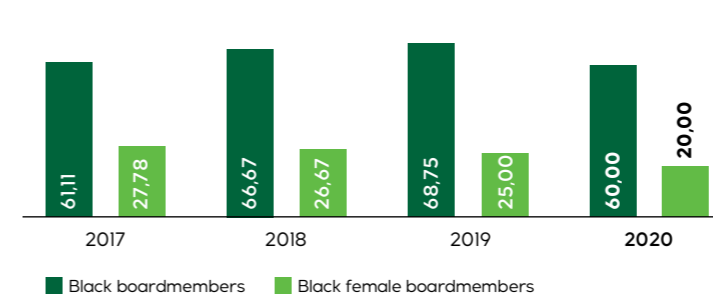
GROUP EXCO AGE¹ (Years)



Nedbank policy: Group Exco members retire on reaching the age of 60.

Black representation on the Nedbank Group board since 2017

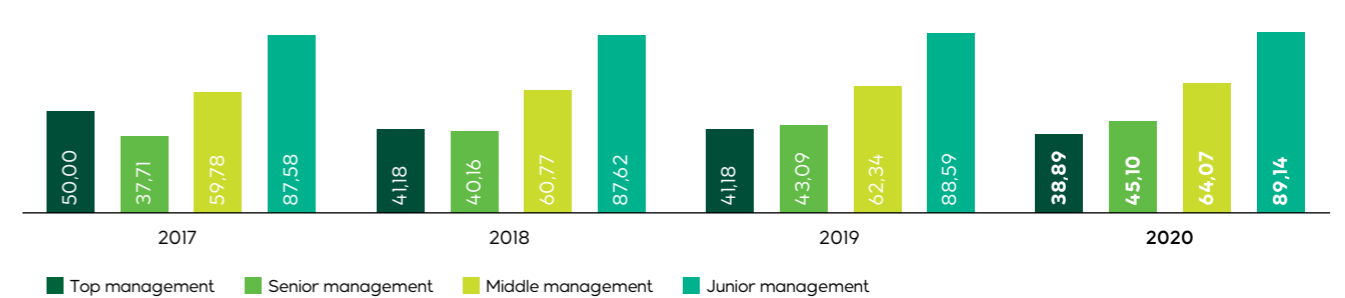
MANAGEMENT CONTROL (%)



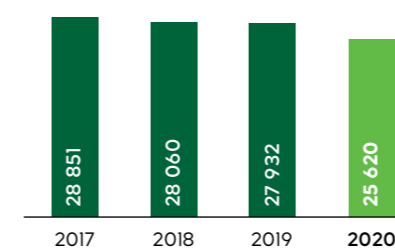
Nedbank Group employee profile since 2017

Employment equity

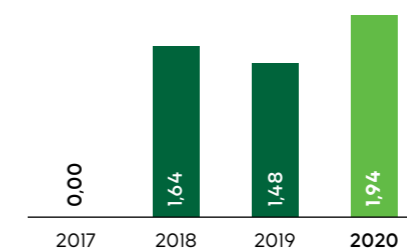
BLACK MANAGEMENT (%)



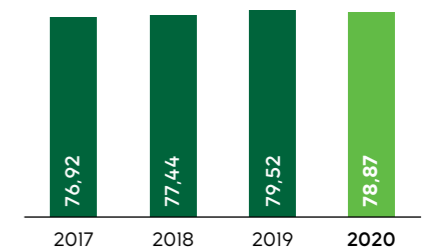
TOTAL WORKFORCE (Number of people)



BLACK PEOPLE WITH DISABILITIES (%)



TOTAL BLACK EMPLOYEES (Number of people)



¹ Age at 31 March 2021.

People transformation

Impact in the workplace

The tables below reflect the demographic profile of Nedbank employees at December 2020. In relation to the national economically active population (EAP), we have made great progress in the representation of black people and black females at the various occupational levels. In addition, various strategies have been initiated to improve and close the identified gaps, specifically in relation to the African representation, in line with our employment equity plans.

Workforce profile – permanent employees

At 31 December 2020, the Nedbank Group employee profile was as follows:

Headcount Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	3	-	1	8	1	-	2	3	-	-	18
Senior management	98	41	129	356	89	27	85	173	33	9	1040
Middle management	1 246	531	841	1 468	1 428	666	922	1 522	104	65	8 793
Junior management	2 800	789	661	522	6 017	1 778	1 251	1 043	20	35	14 916
Semiskilled	198	56	14	11	367	126	23	33	2	3	833
Total permanent	4 345	1 417	1 646	2 365	7 902	2 597	2 283	2 774	159	112	25 600
Temporary employees	5	-	-	1	11	1	-	1	-	1	20
Grand total	4 350	1 417	1 646	2 366	7 913	2 598	2 283	2 775	159	113	25 620

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondments and employees from external entities.

At 31 December 2019, the Nedbank Group employee profile was as follows:

Headcount Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	2	-	1	7	2	-	2	3	-	-	17
Senior management	91	42	122	378	79	26	86	174	29	8	1 035
Middle management	1 165	519	840	1 526	1 366	668	905	1 596	113	67	8 765
Junior management	2 808	834	689	541	6 066	1 817	1 325	1 143	20	39	15 282
Semiskilled	761	137	26	16	1 433	330	39	50	2	6	2 800
Total permanent	4 827	1 532	1 678	2 468	8 946	2 841	2 357	2 966	164	120	27 899
Temporary employees	8	2	-	1	14	5	2	1	-	-	33
Grand total	4 835	1 534	1 678	2 469	8 960	2 846	2 359	2 967	164	120	27 932

Note: The workforce profile excludes all non-payroll contractors, temporary non-payroll employees, international secondments and employees from external entities.

At 31 December 2020, the Nedbank Group employee profile for people with disabilities (PWD) was as follows:

Headcount Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	-	-	-	-	-	-	-	-	-	-	-
Senior management	4	3	1	18	2	-	1	4	1	-	34
Middle management	15	13	22	70	26	26	31	93	1	-	297
Junior management	57	11	31	33	118	63	55	80	-	-	448
Semiskilled	9	2	1	1	3	2	2	3	-	-	23
Total permanent	85	29	55	122	149	91	89	180	2	-	802
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	85	29	55	122	149	91	89	180	2	-	802

At 31 December 2019, the Nedbank Group employee profile for PWD was as follows:

Headcount Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	-	-	-	-	-	-	-	-	-	-	-
Senior management	3	2	2	18	1	-	-	4	1	-	31
Middle management	17	9	17	77	26	21	26	86	-	1	280
Junior management	51	11	22	32	97	44	41	74	-	-	372
Semiskilled	10	2	1	3	6	-	3	5	-	-	30
Total permanent	81	24	42	130	130	65	70	169	1	1	713
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	81	24	42	130	130	65	70	169	1	1	713

Please refer to the People Review section for detailed highlights of our progress in this element.

Skills development

Skills development continues to be a strategic focus area for us, reaffirming our commitment to nation building and contributing to a more transformed SA. While most of our face-to-face training and formal learning programmes (eg learnerships, internships and leadership development programmes) were initially cancelled or suspended, we pivoted these initiatives to virtual delivery to manage, mitigate and reduce the impact of Covid-19 while ensuring continuity of these initiatives. Please refer to the People Review section for detailed highlights of our progress in this element.

	2017	2018	2019	2020
Total basic payroll	R13 602bn	R14 131bn	R15 083bn	R13 875bn
Total training spend	R355m	R468m	R760m	R924m
Training spend as % of basic payroll	2,6%	3,3%	5,0%	6,7%
Training spend for black employees as % of basic payroll	2,1%	2,6%	4,0%	5,4%
Training spend for black female employees as % of basic payroll	1,3%	1,6%	2,4%	3,50%
Training spend for black employees with disabilities as % of basic payroll	0,03%	0,04%	0,07%	0,12%
Training spend for black female employees with disabilities as % of basic payroll	0,02%	0,03%	0,05%	0,09%

PREFERENTIAL PROCUREMENT

We are committed to strengthening the participation of small businesses – not only within our value chain, but also within the marketplace.

Rapid change is taking place within our society, and with it a new business landscape is emerging – one in which small businesses have greater opportunities than ever before. However, securing and leveraging these opportunities require smart partnerships with big companies built on strong relationships. At Nedbank the aim is to strengthen relationships with strategic suppliers and explore potential avenues for growth and added value.

Our policies and practices in preferential procurement remain a key strategy for enabling transformation, job creation and community upliftment. These are thus designed to maximise our contribution to the development and economic transformation of the country, by giving preference to local suppliers over foreign suppliers, with emphasis on small and medium enterprises (SMEs).

We entered into a strategic partnership with SAP Ariba to empower and develop small black-owned suppliers. Selected suppliers received a standard Nedbank business account, which gives them access to the Ariba platform to market their businesses and participate in sourcing opportunities.

We remain a signatory to the Prompt Payment Code, which means that smaller suppliers (exempted microenterprises) are paid within seven days and all other SMEs within 30 days of receipt of their invoice. This gives SMEs quicker access to their money to remain operationally viable.

	2017	2018	2019	2020
Number of suppliers engaged or supported	6 778	6 877	6 580	5 759
Total procurement spend	R14,1bn	R17,9bn	R18,1bn	R17,0bn
Total procurement spend on exempt microenterprises	R950m	R1,3bn	R1,3bn	R888m
Total procurement spend on qualifying small enterprises	R1,6bn	R1,7bn	R1,7bn	R1,3bn
Total procurement spend on ≥ 51% black-owned companies	R2,9bn	R4,3bn	R5,5bn	R4,5bn
Total procurement spend on ≥ 30% black-owned companies	R1,9bn	R2,3bn	R3,1bn	R2,9bn
Primary supplier locations and relative % of spend				
Gauteng	86%	87%	86%	87%
KwaZulu-Natal	6%	5%	6%	5%
Western Cape	4%	4%	4%	4%
Other regions	4%	4%	4%	4%

The procurement plan developed for the 2020 financial year was drastically interrupted by the Covid-19 pandemic, when the country went into a strict lockdown that affected economic activities. This had a more pronounced impact on SMEs, as they could not easily absorb the prolonged period of inactivity, relative to big companies who fared better.

A glimmer of hope appeared when, after we had realised the predicament of SMEs during the pandemic-induced lockdown, we paid all SMEs earlier than expected to try and alleviate their financial challenges and minimise their distress.

Although great progress has been made in achieving excellent performance across all areas of the procurement scorecard, buying from black-women-owned (BWO) organisations remains a challenge. Despite our efforts, the lack of BWO suppliers in significant categories of our supply chain remains elusive. To address this, our procurement department was restructured, enabling resources to focus mainly on BWO suppliers to achieve set goals. Special emphasis was placed on the tendering process, as well as on information programmes instituted to advocate the need to increase BWO suppliers. These efforts are slowly showing signs of success.

Our 2020 BBBEE performance continued

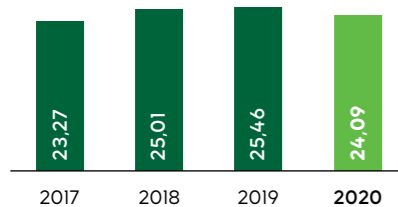
ENTERPRISE AND SUPPLIER DEVELOPMENT

We launched the in-house enterprise and supplier (ESD) programme in 2015. The programme is a combination of business mentorship, business acumen and specialist training, as well as personal coaching.

In 2020 a total of 10 new suppliers, stemming from various industries and business life cycle stages, started with the programme. The programme offers tailored solutions to address specific needs extending to mentorship, system intervention, growth and expansion strategies and diversification.

The following is a summary of initiatives, sponsorships and activities driven by Nedbank aimed at contributing to the growth and well-being of small-business clients, communities and the country as a whole.

ENTERPRISE DEVELOPMENT SPEND ON DEVELOPING BLACK-OWNED SMALL BUSINESSES (Rm)



Mila cleaning services – growing businesses and creating jobs

Mila, is a level 1 BBBEE compliant and black-women-owned cleaning services business, owned by two dynamic women, Charlotte Khoza and Annemarie Mostert. The business was built on the philosophy of wanting to inject dignity and pride into the status of being a cleaner. We were one of their first clients when they secured the contract to clean our Selby offices in 2012 with only 22 employees. To date the company has more than 500 employees, with an extensive client base. The business has expanded to incorporate training after securing SETA accreditation for their cleaning services training.

Mila joined our ESD programme in 2018, and, in keeping with the programme requirements, they embarked on various strategic sessions around growth prospects and the way forward. Mila, in conjunction with specialists made available by Nedbank, put together the Mila Enterprise Model, which is a unique tandem franchise model for the cleaning and soft service industry. This model will empower and motivate qualifying employees to become business owners.

The tandem franchise model speaks to the philosophy and values that drive us and Mila – to grow and evolve businesses sustainably while uplifting and growing the communities and stakeholders in the Nedbank ecosystem. Ten employees were identified to become franchisees. We provided the support, expertise and strategic specialists to help Mila bring this franchise model to fruition. We also provided grant funding to Mila for the appropriate systems, training and support to be put in place, and helped with a holistic banking proposition to augment the entire process. The first franchisee business was piloted at our head office, with Mila's two managers becoming the first business owners.

The tandem franchise model offers qualifying employees the opportunity to be integrated into the economic mainstream and create real wealth. It also offers the employees a meaningful platform to advance their careers and become entrepreneurs. The new franchisees will be able to own their own businesses under the umbrella of a reputable brand that has a proven track record. They will receive ongoing mentorship, training, compliance, governance, financial and administrative support.

Our ESD programme aims to uplift, grow and pivot businesses. Since its launch in 2015, the programme has offered training, mentorship and specialist support to its participating beneficiaries, which equated to more than R2m. In addition to benefiting from this, Mila also received an additional enterprise development grant of R430 000 to enable them to implement the tandem franchise model.

The growth and development of Mila led to the creation of the tandem franchise model, which in turn created 10 more businesses that will become contributors to the economy. This culminated in the creation of new jobs and the development of a viable business model. Mila will continue to expand on launching new franchisee businesses after the first 10 have been set up.

We support the public sector in SME growth

We support government in the strategic imperative to grow the economy and create sustainable jobs. Through our ESD proposition we offer a holistic approach across access to finance, financial products and services, as well as non-financial support to qualifying businesses. Key to this approach is the partnerships and collaboration across important stakeholders.

We embark on various holistic interventions that seek to support government's effort around ESD and simultaneously address objectives to grow and nurture sustainable businesses. The programmes focus on the entrepreneur as an individual and the business value chain and provides necessary skills to grow and develop potential and existing entrepreneurs within the community. In line with this, the following ESD programmes were implemented:

Knysna and Bitou municipalities' SME incubator programmes

We supported the Knysna and Bitou SME incubators with grant funding of R440 000 each. The incubation programmes offer comprehensive training and mentorship. Mentors engage with entrepreneurs, and applications are made to the incubator for purchase of equipment, material and other products and services that are key to the SME.

Webinar with SMEs from municipalities

The pandemic left SMEs in dire straits. The need for support with business strategy and turnaround has been a recurrent outcry from SMEs. We structured a webinar to provide information, tools and tips to enable business owners to refocus, plan and put strategic measures in place within their businesses. The objective of the webinar was to empower and uplift, to provide business acumen and to transfer skills that can be implemented in the respective businesses in a practical manner.

The webinar extended across five days, encompassing a combination of presentations, training and home study as a followup from the day's session. The participating municipalities, provinces or development agencies were: Overstrand, Moses Kotane, Inyandeni, Bergrivier, Lejweleputswa, Nkomazi, Chris Hani, Sarah Baartman, OR Tambo, Harry Gwala, Ugu, Zululand, uMgungundlovu, Bushbuck Ridge, Thembisile Hani and Sol Plaatjie.

Considering the turbulent year, our focus remained firmly on supporting individual and small-business clients through the impact of Covid-19 with the following:

- **Debt relief:** Distributed R300m equating to (27%) funding from the South African Future Trust to about 2 500 small-business employees, paying 26 000 individual salaries and facilitating much-needed payment holidays and Covid-19 SME loans.
- **BackaBusiness:** Collaborated with SimplyBiz (powered by Nedbank) and SA's largest crowdfunding platform, ThundaFund, resulting in 58 small businesses receiving relief of R528 000 from 480 funders over the lockdown period. A new concept to SA, the campaign continues to gain interest and support.
- **SimplyBiz:** Ran various competitions on SimplyBiz, equipping businesses with data and technology vouchers (to set up remote offices during lockdown), coaching, as well as digital and physical advertising. 'Shifting Gears' also provided free handbooks, which included articles, attendance to virtual masterclasses, as well as downloadable tools and templates designed to help entrepreneurs navigate one of three paths: 'Get into Gear' to start up or start afresh, 'Change Gear' to reimagine or redesign their business, or 'Gear Down' to close or downsize their businesses.
- **Startup Bundle:** Launched a six-month, no-fee business account (offering 20 transactions, SMS notifications, a dedicated banker and beyond-banking support) to make starting a new business or formalising a side hustle for single-owned businesses more affordable.
- **Communication:** Shifted marketing and client communications to education and support via webinars, guidance on debt-relief options, crowdfunding competitions, Shifting Gears, etc.

A step change in client interaction levels also resulted in frontline employees focusing on proactive check-ins with clients to facilitate debt relief.

Expanded Public Works Programme Vuk'uphile Learnership Programme

In 2017 Nedbank was reappointed as the financial services provider to the Expanded Public Works Programme (EPWP) Vuk'uphile Learnership Programme for another five years. The aim of the programme is to develop emerging contractors to be fully fledged contractors that can execute labour-intensive contracts in civil works and general building. Over the past eight years, we have successfully collaborated with the national Department of Public Works in rolling out the EPWP Vuk'uphile Learnership Programme, through which the following has been achieved:

- Helping the **development of over 679 learner contractors** (small businesses) that will become sustainable small enterprises. Part of this process involved funding, using a credit matrix designed and fit for purpose for emerging contractors, supported by ongoing mentorship, and the development of financial skills with the help of the appointed service provider.
- **Advancing R62,5m** (cumulative since inception) in credit facilities to **217 learner contractors** under the Vuk'uphile Learnership Programme. To date, zero bad debt was incurred, which is testament to the working process that has been flexibly modified over time.
- **Committing R1,5m in the period under review** towards the mentorship of learner contractors in the Vuk'uphile Learnership Programme. This has helped to mitigate the risks associated with lending, resulting in no impairments thus far. A total of **R2,7m was contributed to the mentorship of contractors** during the tenure of the agreement with the National Department of Public Works.

Our 2020 BBBEE performance *continued***EMPOWERMENT FINANCING**

We prioritise creating real economic opportunities for black businesses in SA by partnering with them to ensure their success as viable, productive participants in the country's socioeconomic development.

By continuing with a holistic approach, our empowerment financing model has led to our providing funding for a range of initiatives, including transformational infrastructure projects, affordable housing, black agriculture, and black small, medium and microenterprises (SMMEs) and BBBEE transaction financing. We recognise the importance of empowerment financing as one of the priority elements in the FSC scorecard and it continues to be a key strategic focus area.

OUR EMPOWERMENT FINANCING APPROACH**Transformational infrastructure**

Projects that support economic development in underdeveloped areas and contribute towards equitable access to economic resources.

Affordable housing

Make quality, affordable housing more readily available and accessible to many people.

Black agriculture

Key driver of SA's sustainable and food-secure future.

Black Small and Medium Enterprise (BSME)

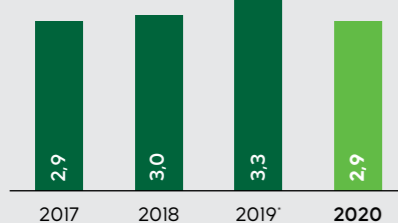
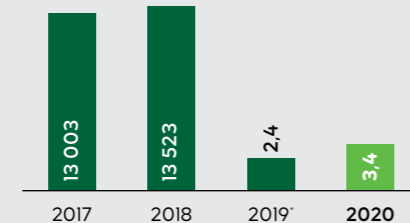
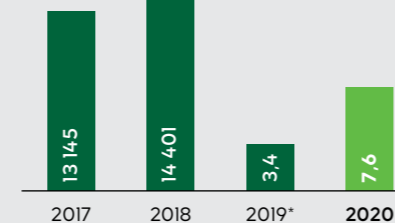
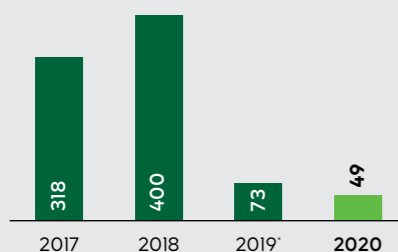
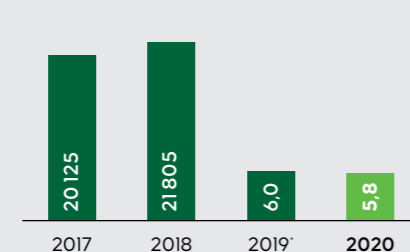
Partner with our clients for growth for a greater SA.

BBBEE transaction financing

Provide financing to black-owned businesses through our innovative and flexible solutions.

Black business growth funding

Provide financing that supports new and existing BO companies that create jobs within the economy.

ENABLED BY SPECIALIST TEAMS**Employment financing****TRANSFORMATIONAL INFRASTRUCTURE**
(Rbn)**BLACK SME FINANCING**
(Rbn)**AFFORDABLE HOUSING**
(Rbn)**BLACK AGRICULTURE FINANCING**
(Rbn)**BBBEE TRANSACTION FINANCING/
BLACK BUSINESS GROWTH FUNDING**
(Rbn)

* New five-year targets received from BASA. These include cumulative deals written from 1 January 2018 only.

**CASE
IN POINT****Thesele Group (Pty) Ltd
- empowerment financing**

Thesele Group (Pty) Ltd (Thesele) is a 100% black-owned investment holding company founded by Sello Moloko and Thabo Leeuw in 2005. In November 2017, Nedbank Corporate and Investment Banking, through Depfin Investments (Pty) Ltd, successfully acquired R132m (40%) of the A preference share facility from Standard Bank of South Africa Ltd, which Thesele used to acquire a 40% equity interest in DG Capital (Pty) Ltd (DG Capital) and 100% of Vexila (Pty) Ltd (Vexila), thereby furthering transformation in these businesses.

DG Capital is a diversified financial services firm, offering insurance, corporate and forex advisory services, trade finance, crossborder trade services and more. It currently generates an annual turnover of more than R1bn and has more than 50 employees across four offices in SA. Vexila manufactures products for electrical infrastructure and has been in existence for more than 45 years. It was acquired by the German-Swiss Pfisterer Group in 2003 before Thesele took a stake in the business.

We increased our funding to Thesele through restructuring and refinancing the existing R565m debt package (preference shares) and took up R353m of the debt package. The refinancing was designed to offer Thesele a better pricing structure and funding terms, enabling them to participate effectively in the growth of investee companies and retain their BBBEE status. This is one of the transactions that demonstrates our commitment to developing and empowering small- and medium-sized businesses.

**CASE
IN POINT****Dartcom SA (Pty) Ltd
- empowerment financing**

Dartcom SA (Pty) Ltd (Dartcom) is a majority black-owned company, with its majority shareholder being New GX Capital Holdings (Pty) Ltd, a 100% black-owned investment holding company. Dartcom was founded in 1978 and operates in the telecommunication sector as an importer, manufacturer and distributor of fibre optic products and batteries. The business has grown to over 100 employees and supplies the largest network operators in SA, as well as many other smaller operators.

We increased the short-term debt funding package for Dartcom by R80m, from a R50m working capital facility to R130m. The requested additional money was used to fund increasing corporate expenses due to business expansion and to procure essential products [personal protective equipment (PPE)] used by healthcare professionals and the general SA workforce in the fight against the Covid-19 pandemic. The PPE procured by Dartcom will limit the spread of the virus, enabling the SA workforce to re-enter the working environment and help reopening the SA economy.

We provide capital to the client for their new product line through importing PPE, allowing the business to enter this expanding market with a view to turning it into a sustainable business line for Dartcom going forward. This will also serve to diversify Dartcom's income stream and boost revenue, offsetting the negative impact of Covid-19 on their other product lines, thus growing the business. This deal further demonstrates our commitment to advancing empowerment, despite the economic impact of the pandemic.

Affordable housing

The Residential Property Finance unit disbursed a total of R686m towards new affordable and social housing developments for 2020, facilitating delivery of 1 882 units. Total sales receipts recorded for the same period amounted to R1,30bn. The unit also granted new loans of more than R1,33bn for affordable and social housing developments.



SOCIOECONOMIC DEVELOPMENT

One of the key vehicles for delivery of our purpose is through our primary CSI arm, the Nedbank Foundation.

Over the years, the foundation's clearly defined social development strategy has been highly effective in providing invaluable support to many beneficiary organisations with whom it partners, with spend and examples reflected in this report.

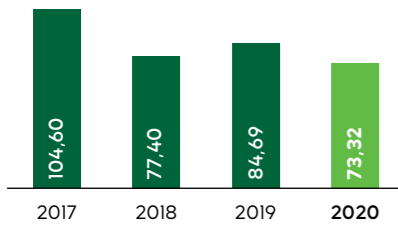
The unique circumstances of 2020 demanded of the Nedbank Foundation to go much further in its delivery of social support and assistance, which served as a stark reminder of the important principle of 'putting people and society first, and business will follow'. The vital role of CSI was emphasised vividly, as was the importance of genuine and practical care and support to keep communities hopeful and alive.

Importantly, while Covid-19 had a massive impact on the partners and projects that the Nedbank Foundation supports, the pandemic did not detract from the passion and determination of everyone in continuing to do as much as possible to support the people and economic development of SA while adapting to new methodologies and expectations.

Redirecting money earmarked for 2021

In line with our commitment to all South African communities, we embraced our moral obligation to find ways of unlocking additional funding to support Covid-19 relief operations. It was decided to put the implementation of the preplanned new CSI strategy for 2021 on hold, and to redirect the money that was earmarked for projects within the new strategy towards supporting strategic partners in fighting Covid-19.

SOCIOECONOMIC DEVELOPMENT (Rm)



Funding earmarked for 2021 was redirected to the South African Red Cross, World Vision, MSF Doctors Without Borders (MSF), Doctors Online and Gift of the Givers to buy and distribute food parcels and to provide essential PPE to medical facilities and healthcare workers fighting the pandemic on the frontline.

The Nedbank For Good Project is a crowdfunding project aimed at helping South Africans securely and confidently contribute to specific causes that give direct help to communities at risk. Through World Vision and MSF, food and warm clothing were distributed to vulnerable individuals and families. Support was also provided to frontline healthcare workers to ensure that they had the necessary PPE to maintain their safety.



We have partnered with FoodForward South Africa (FFSA) in a number of different ways, including support for their Second Harvest Programme, which encourages large commercial farmers to donate their agricultural surplus to address hunger and reduce the environmental impact by diverting good-quality edible surplus food. Reducing food waste and loss is also a highly effective solution for fighting climate change. During 2020, we provided a donation of over R1,5m that went towards FFSA's operational costs, effectively supporting the provision of over R1,7m meals. FFSA's work will also be bolstered by a R6m donation over a three-year period from the WWF Nedbank Green Trust. This funding will be used to enhance food recovery and food redistribution, while also tackling the issue of food waste in our food value chains.



Other Covid-19 support from the foundation:

- Providing Nedbank Foundation's partners with the flexibility they needed during the Covid-19 crisis, as many non-profit organisations were under pressure to reallocate funds to support other initiatives that the foundation did not approve initially.
- Leveraging Nedbank Foundation's relationships with other stakeholders and resources to provide immediate funding to community organisations in need.

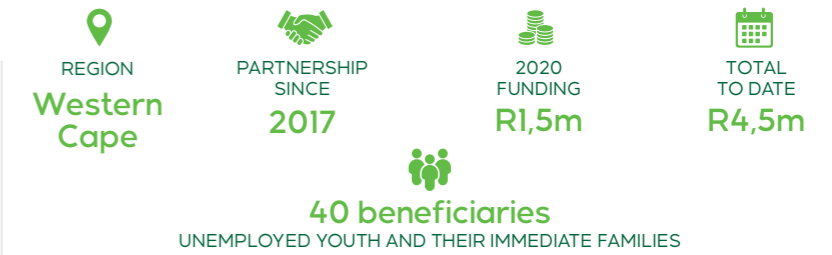
CASE IN POINT

Changing Lives

Changing Lives is a well-established catalyst for youth empowerment, helping more than 2 000 youth with career guidance, coaching, sports development, access to the internet and employment opportunities. The main goal of their projects is to change the lives of South African youth for the better, by exposing them to opportunities and platforms that will empower them to create better futures.

Changing Lives proactively identifies gaps in the market, partnering with public-sector participants to provide training and employment opportunities to unemployed youth. During their training learners receive a stipend, which helps to ensure their continued attendance and provides support to their families while they were preparing themselves for the world of work.

In 2020, Changing Lives introduced a new course that seeks to introduce entrepreneurship as part of the overall skills set they impart on participating youth.



This skills course is aimed at equipping the participating youth with business skills needed to start their own businesses should there be no employment opportunities in the hospitality industry once they have completed their training.

As a result of national lockdown, the entrepreneurship training had to be adapted significantly. As part of the training during the lockdown, mobile soup kitchens were established at some clinics, and participating youth were responsible for the distribution of fresh food parcels. The Department of Social Development also supported this initiative.

On completion of the training programme, most of the assistant chefs were employed by Tsogo Sun, Sun International, Spar, and some old-age homes. Some of the participants have also started small businesses in their local communities, selling fast foods and bread at affordable prices, creating more employment by using the local youth as a delivery service.

Despite Covid-19-related challenges, all participants completed the course and graduated during December 2020.

CASE IN POINT

Buhle Farmers Academy

In partnership with Buhle Farmers Academy, this programme aims to address specific constraints to meet the needs of developing farmers through training, skills transfer, coaching, mentoring and startup funding assistance. This three-year intervention sees the farmers fully participating in the food value chain, contributing to general local economic development and food security, as well as local employment.

The project is also geared to improve the quality of household life among families and communities by addressing unemployment via high-quality training to farmers and other relevant stakeholders. It also helps to alleviate poverty by creating jobs and ensuring food security in the agricultural sector.



Even in a tough economic environment, the project still managed to achieve its key objectives:

- The Nedbank Foundation allocated R800 000 worth of grants to the project, and all of them were disbursed.
- The total project income generated by farming businesses increased to R891 000.
- The total value of farm assets has doubled year on year.
- Farmers received help to acquire trading permits from local municipalities to operate as hawkers and sell directly to households at retail prices.
- Farmers received help to apply for Covid-19 relief funding from the Department of Agriculture, and five out of 10 received these grants.
- A total of nine market exposure sessions were hosted.

CASE IN POINT Maths Centre

Since its establishment in 1985, Maths Centre has been working tirelessly to improve STEM education in SA. Spread across all provinces, the primary objective of this organisation is to equip teachers and learners from all grades with learning materials and programmes that will help to develop their competency and performance. The Maths Centre for primary school mathematics project supports teacher and learner development via a mathematics enhancement project for grade 1 to grade 7. This includes intensive training in maths and science, as well as engagement with other stakeholders like unions and parents. Last year was the second year of the three-year project and focused on grade 4 to grade 7 learners.



Three provinces and five primary schools

PER PROVINCE, GRADE 1 TO GRADE 7, OVER THREE YEARS.

Due to the limitations of Covid-19, 15 learners per grade at each participating school were selected to continue in a multidimensional format of the programme.

- Extra learner support was provided on multidimensional platforms such as WhatsApp, and through extra worksheets and revision before formal tests.
- Remedial teachers were appointed to provide extra support.
- Extra lessons were conducted to correct any gaps resulting from the absence of teachers. This has resulted in notable improvements in performance by many learners.
- Various teacher workshops were conducted.
- A campaign was run to encourage absent learners to return to school.

Group CSI universe

Focus area	Amount
Basic education	R13,4m
Tertiary education	R22,0m
Undergraduate bursaries	R20,9m
Postgraduate bursaries	R1,1m
Skills development and job creation	R11,1m
Community development (including Covid-19 relief and children's affinities)	R18,9m
Health (including Covid-19 relief)	R15,9m
Green Affinities	R11,3m
Arts Affinities	R1,5m
Sports Affinities	R1,3m
Volunteerism	R7,1m
Total	R102,5m

ACCESS TO FINANCIAL SERVICES

Financial inclusion is imperative for SA's social transformation. Nedbank remains committed to improving access to inclusive financial services, particularly to the low-income market, by continuously innovating to offer low-cost products and services to these markets.

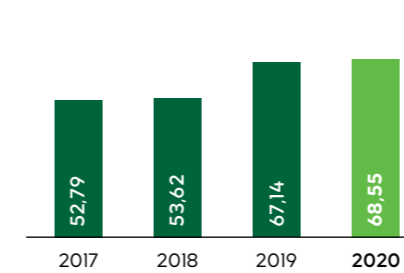
Nedbank's Access to Financial Services Model continues to be multifaceted to respond to the needs of our clients, incorporating appropriate and suitable products and access.

Geographic Access

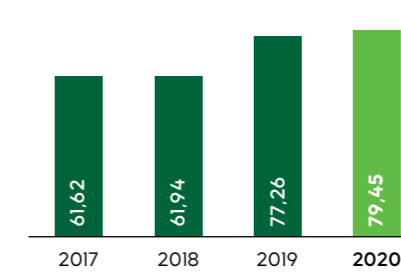
Geographic Access measures the availability of physical points of presence that offer or enable financial services into low-income markets. Progress on geographic access is measured on two points of representation, ie transaction points, and service and sales points.

Transaction points are points at which customers can withdraw cash or make purchases using their accounts. Service and sales points are points at which customers can replace a card, deposit cash, acquire a transaction account, acquire a savings account, acquire a funeral policy, get a loan, reset a PIN, do many transfers, get a statement, or initiate account queries and at least one of the services listed under transaction points.

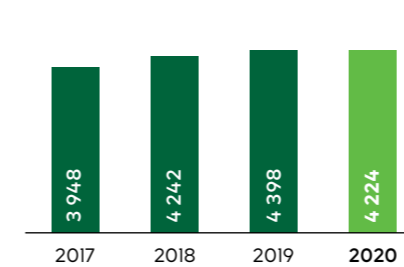
TRANSACTION POINTS (%)



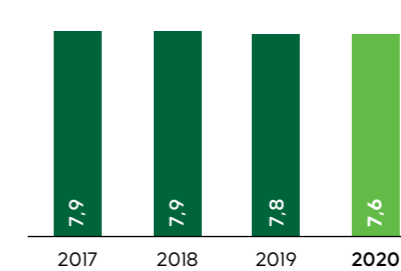
SERVICE AND SALES POINTS (%)



AUTOMATED TELLER MACHINES (ATMs) (Number of ATMs)



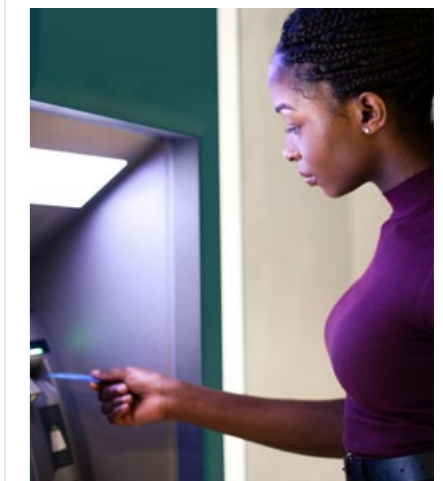
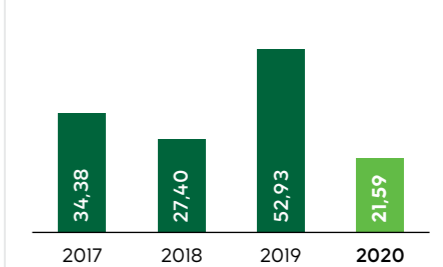
TOTAL NUMBER OF CLIENTS (m)



Consumer financial education

In 2020 more than 29 000 adults and learners were financially empowered through our virtual consumer financial education (CFE) programme. A further 16,9 million individuals were reached through radio, TV, digital platforms and social media. The CFE team facilitated virtual programmes to promote access to banking, and the programme plays a key role in delivering expert financial education and training to public sector employees, with the emphasis on public sector educators.

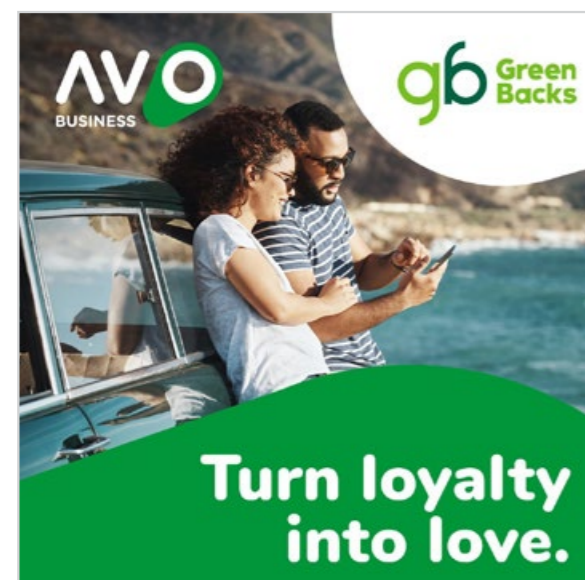
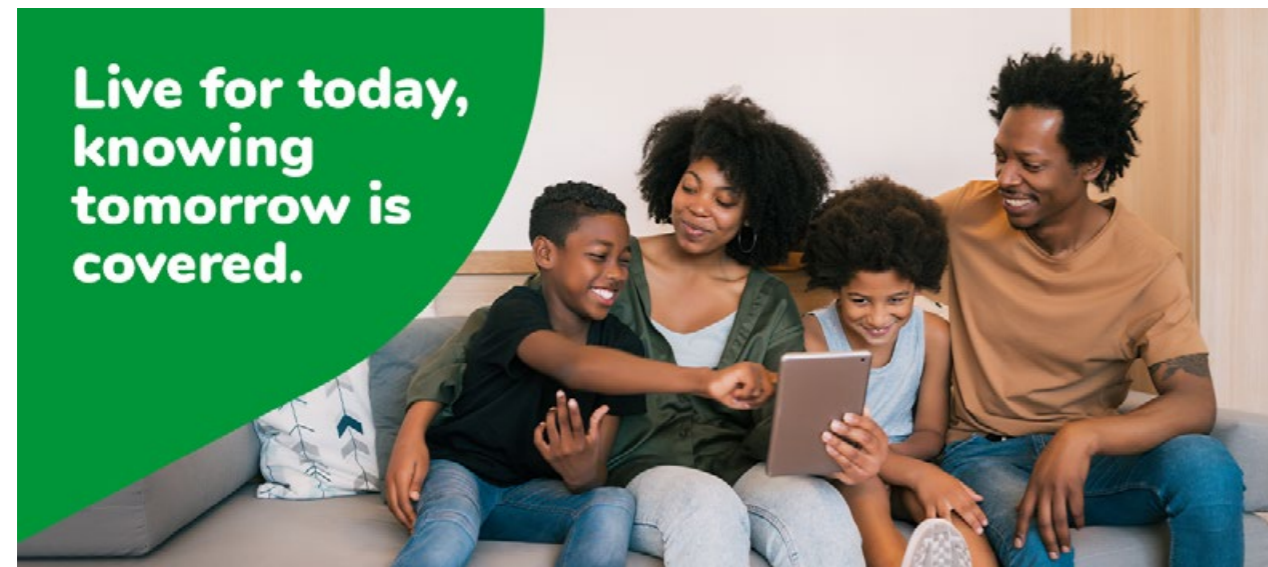
CONSUMER FINANCIAL EDUCATION (Rm)



**CASE
IN POINT****Avo – our repurposed ecosystems solutions**

In response to the Covid-19 crisis that created challenges for many clients to access essential services such as healthcare and home repair services, we launched our market-leading digital innovation Avo. This is a one-stop super app that enables users to buy essential products and services online and have them delivered to their home. Payment is made using a digital wallet.

- Since its launch in app stores on 19 June 2020, Avo has signed up more than 145 000 consumers, along with over 5 200 businesses registering and offering their products and services on this e-commerce platform.
- During the year we signed up leading brands and suppliers, which have provided the following:
 - » Prepaid vouchers (4% of transactions) – from brands such as Cell C, MTN and Vodacom.
 - » Groceries (32% of transactions) – from retailers such as OneCart, Woolworths, Pick n Pay, Makro, Clicks and Dis-Chem.
 - » Gift vouchers (3% of transactions) – from Deezer, Google Play, Playstation, Xbox, Hollywoodbets and Lottostar.
 - » Shopping (59% of transactions) – from stores and other retailers, such as Hirsch's.
 - » Services (1% of transactions) – cleaning services, armed response, electrical, carpentry, plumbing, painting, pest control and gardening.
- Looking forward, we will focus on developing propositions that will unlock new markets and new revenue streams, including high-end disruption through the delivery of ecosystem-led CVPs that are enabled by digital innovation.



Looking forward

As we progress into 2021, it is sure to be another tumultuous year, characterised by muted economic growth, an uncertain regulatory environment, ever-increasing inequality spanning multiple perspectives, unemployment, low business confidence, service delivery problems, corruption and an urgency to, among other factors, advance transformation.

The BBBEE landscape will continue to be demanding and challenging as we anticipate the lagging effects of Covid-19 on companies' profits and hence a subsequent reduction in procurement, skills development and enterprise and supplier development spend. In addition, the Amended FSC review process is in progress at industry level, which proposes stricter weightings, targets and new technical assistance guidelines across the scorecard. This is likely to lead to an industry rebasing, potentially making it difficult to retain current BBBEE credentials.

Against this backdrop of foreseeable challenges, we will continue to drive and amplify transformation efforts as our strategic framework continues to evolve, while supporting both the national priorities and our purpose statement.

Aligned to this commitment, we will continue to progress the YES initiative for the financial year 2021 in collaboration with government and labour to stimulate demand-side job creation through company investment. Our investment will provide employment opportunities to over 5 000 youths since inception in 2019, either through placements internally or sponsored placements with implementation partners. We will also accelerate SME support for long-term growth, fund infrastructure development, create equitable opportunities for employment and skills training, deliver expert consumer financial education and support communities in need.

Through the challenges we currently face, it has become apparent that times of fear and uncertainty reveal one's character, resolve and strength – and indeed, brings out the best in our people. Be inspired by the positive examples that you see around you, because it is all too easy to be pulled into a negative state of mind. And at this time, draw strength in the understanding that this too shall pass. It may not feel like it right now, but at some stage we will look back at this period and reflect on what lessons we learnt and how we showed up.

Mike Brown, Nedbank Chief Executive

TOP EMPOWERMENT

SUMMIT & AWARDS | VIRTUAL EXPERIENCE

AWARDED TO NEDBANK
FOR ITS OUTSTANDING ACHIEVEMENTS
AS A TOP EMPOWERED COMPANY
IN ITS SECTOR AND FOR CONTRIBUTING
TO THE GROWTH AND SUSTAINABILITY
OF THE SOUTH AFRICAN ECONOMY.



STAKEHOLDER ENGAGEMENT REVIEW

‘The extraordinary environment in 2020 necessitated that we remained closer to stakeholders by increasing engagements and deepening our understanding of their changing circumstances, needs and priorities to ensure that we were able to respond accordingly.’

Priya Naidoo, Group Executive: Strategy



The Covid-19 crisis broadly defined our engagements with our stakeholders. We committed to delivering the best possible outcomes for all stakeholders while staying true to our purpose, values, principles and culture. The guiding principles to all our engagements with material stakeholders and the workforce management imperatives that informed our preliminary response to Covid-19 were as follows:

- We adopted a continuous-learning mindset to ensure that we could adapt our response to the circumstances at hand. The Covid-19 crisis demanded agility, innovation and adapting to rapidly changing systems and regulations.
- We embarked on a journey of deepening our understanding of all our stakeholders’ perspectives to stay in tune with their shifting needs and priorities, noting the unfolding and changed environment, which was largely driven by innovative practices associated with remote working and digital adoption. This rapidly shifting and uncertain environment requires us to resist the pressure to engage in short-term actions that seem essential in the unfolding chaos, but likely to compromise the longer-term sustainability of our organisational well-being.

We adopted the above approaches and workforce management imperatives because we understood that our business’s sustainable performance and growth was linked inextricably to a reliable and healthy relationship with all our stakeholders. Importantly, this approach was aligned to the King IV requirements on Corporate Governance (Principle 16), which requires us to balance the needs, interests and expectations of all material stakeholders in the organisation’s best interest over time. In this report, we account for the interdependent relationships we have with our stakeholders, highlighting some of the key engagements that have created value for both Nedbank and its material stakeholders.

OUR RELATIONSHIPS

- Employees
- Unions
- Society
- Suppliers
- Clients
- Government
- Industry bodies
- Media
- Regulators
- Shareholders

Employees



Our employees are our biggest asset and stand at the frontline of all our business processes. With the advent of the Covid-19 pandemic, our leadership moved quickly and effectively to initiate the Nedbank business continuity plan, which is primarily aimed to protect our employees’ health and minimise exposure to the virus, while ensuring continuity on critical business operations.

To ensure an engaged and productive workforce, we used clear communication strategies and a range of other interventions. Mainly, through empathy and by embracing new ways of working, our leadership stressed the importance of all employees and encouraged them to feel invested in our mission and purpose.

Our business continuity plan effectively enabled us to build and sustain the resilience of all our employees.

Why we engage with employees

- To ensure we address employee matters that will contribute towards Nedbank becoming an employer of choice.
- To understand and respond to the needs and concerns of our employees and how they contribute to Nedbank’s achievements.
- To provide all employees with strategic direction and pertinent information about group activities.

Why our employees engage with us

- To give us feedback and input that can help us improve the working environment and the performance of our business.

KEY HIGHLIGHTS FOR 2020

The People Review describes how we create value to meet the needs and expectations of our employees. Refer to pages 38 to 75.



Unions

We manage our relationship with the recognised unions through regular meetings where issues of mutual interest are discussed. On issues where negotiation with the union is not a requirement, for example introducing or revising policies, we still consult with the union to ensure buy-in and alignment.

We ensure that all employees are aware of their right to freedom of association, and they know about the relationship with the union. The Recognition Agreement, other references to the union and collective bargaining agreements are published on our intranet, which all employees have access to.

Union officials can visit any Nedbank site to conduct union affairs, including recruiting new members, without any hindrance from management. As a testament to this cooperation, we have not had a single dispute or grievance about trade union activities being thwarted by the bank.

Annual salary negotiations are conducted to determine fair remuneration levels for employees in the bargaining unit. During 2020 we concluded salary negotiations with the union, and signed an agreement without any breakdown in negotiations, settling on a reasonable inflationary increase.

Why we engage with unions

- To promote fair and equitable employee-relation practices, good governance and a sound working relationship.
- To ensure that all matters impacting the primary conditions of employment are addressed adequately through collective bargaining.

Why unions engage with us

- To represent their members on issues of mutual interest.
- To serve the interest of union members who are members of the bargaining unit.
- To consult on salary negotiations and engage on any changes impacting employees in the bargaining unit through a consultative forum and collective bargaining forum.

KEY HIGHLIGHTS FOR 2020

 For details on how we create value to meet the needs and expectations of unions, please refer to the Remuneration Review of our 2020 Governance Report available on our group website at nedbankgroup.co.za.

Society

Society refers to citizens of the countries in which we operate, including individual members of society, NGOs and suppliers, and the environment on which these citizens depend for their well-being.

Why we engage with society

- To create partnerships that serve to facilitate our integrated sustainability activities.
- To obtain input from environmental experts, communities and NGOs about key focus areas.
- To create awareness of our integrated sustainability commitment and initiatives.
- To stay relevant within the communities where we operate in.

Why society engages with us

- To get advice and guidance on achieving desired outcomes for themselves, their families, businesses and communities.
- To partner on common social and environmental issues.
- To collaborate in a way that furthers social, environmental and other common agendas for the greater good.

KEY HIGHLIGHTS FOR 2020

Legitimate and reasonable needs, interests, concerns and expectations of stakeholders

National policy dialogues and thought leadership

Nedbank supported a call by external stakeholders, EE Business Intelligence Proprietary Limited (EEBI) and the Johannesburg Centre for Software Engineering (JCSE), for facilitated discussion, debate, and business exchange across the entire energy and ICT value chain.

Our response and actions


Together with our external stakeholders EEBI and JCSE at Wits University, we curated a series of six policy dialogues. These sessions provided dynamic interaction among key commercial, policy, and regulatory officials. More than 4 000 energy and ICT industry and consumer stakeholders participated, while double the number registered to attend, but did not log in on the day.

In total, our 2020 Energy and ICT dialogue series attracted 24 expert speakers. These sessions provided an opportunity for interaction and learning among our stakeholders and the broader society regarding responses to the Covid-19 crisis and the rapid developments in energy generation, distribution and information technology.

Key elements worth noting:

All sessions were curated by Nedbank, together with external stakeholders, to ensure participation in the choice of panellists and relevancy of the topic to broader society.

We believe that these policy dialogues offer an important platform for a national conversation and a huge potential for business opportunities for our clients, which transcend continents, and taps into the intelligence and thought leadership from all levels.

 The Sustainable Development Review, People Review and Transformation Review in this report describe how we create positive impacts for society. Please also refer to our inaugural 2020 TCFD Report available on our group website at nedbankgroup.co.za for more details on our climate-related governance, strategy and targets.

Suppliers

Nedbank is a vital driver and supporter of SA's sustainable economic growth.

Nedbank has zero tolerance for corruption in all its business processes and engagements. We expect our service providers, employees and clients to conduct themselves with integrity. Our Supplier Code of Ethics and Conduct, together with other business-specific policies in each Nedbank cluster, enables our employees and suppliers to live the Nedbank values to make good, right and fair decisions. The code also obligates every employee, supplier and agent of Nedbank to comply with the provisions detailed in this code and to maintain the highest ethical standards to ensure that the group's business practices are conducted in a manner that, in all circumstances, are beyond reproach.

Why we engage with suppliers

- To assist with obtaining products or services required for conducting our business.
- To manage and mitigate risk across our supply chain.

Why suppliers engage with us

- To provide products and services.
- To negotiate pricing and contracts.
- To promote new products and service offerings.
- To respond to tenders and requests for proposals.
- To seek input and guidance on their sustainability journeys.

KEY HIGHLIGHTS FOR 2020

Legitimate and reasonable needs, interests, concerns and expectations of stakeholders

Our response and actions

Procurement of gifting and promotional items in a manner that benefits both the supplier and Nedbank

The process sought the following outcomes:

- Supplier base optimisation through partnering with local SMEs and using more items that are locally manufactured or designed by local artists.
- Ring-fencing the category of transformed supply organisations.
- Improving stakeholder relationships through business alignment, offering value-added services in support of their requirements and marketing campaigns.

In 2020, Nedbank Group Marketing embarked on a journey to align our brand purpose and vision of 'doing good' for Nedbank and individuals, families, businesses and society. A formal Request for Proposals (RFP) was issued to all our existing suppliers via Ariba to acquire gifting and promotional items to the tune of ± R50m per annum.

Respondent suppliers were invited to present before a panel representative of each cluster enterprisewide at Nedbank.

The process successfully identified items that support our digital strategy and drive long-term engagement with Nedbank clients in the form of client-branded applications designed for further engagement, eg wearables and smartphone applications that help clients not only access our banking app, but also achieve other goals such as monitoring their fitness.

Enterprise and supplier development

Nedbank launched the in-house ESD programme in 2015. The programme is a combination of business mentorship, business acumen and specialist training, as well as personal coaching. In 2020 a total of 10 new suppliers, which stem from various industries and life cycle stages, embarked on the programme. The programme provided customised tailored solutions to address specific needs, extending to mentorship, system intervention, growth and expansion strategies and diversification.

Our 2020 focus areas extended to providing access to finance, and appropriate capacity-building and support to qualifying businesses, as well as implementing interventions that will develop and nurture emerging companies in line with market opportunities.

A summary of Nedbank-driven initiatives, sponsorships and activities aimed at contributing to the growth and well-being of small-business clients, communities and the country is contained in the Nedbank Supplementary Reports, the SDR and Transformation Report for the year ended 31 December 2020 as included above.

Clients

The challenges and impacts of the Covid-19 pandemic had a significant impact on our business (including our clients), and this has increased the urgency to accelerate our strategic response to these difficult realities. Client experience is a key differentiator to drive our distinctiveness in a largely commodity-based market. In support of this philosophy, we adopted a holistic approach in which 'the creation of value for our clients' plays a key role.

Interaction with clients goes beyond just seeking to address their banking needs but to proactively understand and assess their needs for a future sustainable business and how we can therefore partner with creative solutions.

Who are our clients

Individuals and businesses that use our wide range of wholesale and retail banking services, as well as our growing insurance, asset management and wealth management offerings.

Why do our clients choose us

We offer our clients quality service, ensure financial inclusion and accessibility to our products and services. In doing so, we give particular attention to identifying client vulnerabilities and specific needs so that we can tailor our banking products and services in a manner that is sensitive and accommodating.

KEY HIGHLIGHTS FOR 2020

 For details on how we create value to meet the needs and expectations of our clients, please refer to our 2020 Integrated Report available on our group website at nedbankgroup.co.za.



Government

Nedbank primarily engages with government through various national and provincial government departments.

We also engage with the governments of other countries in which we operate. Engagement with governments across the continent is achieved through the Nedbank/New Partnerships for African Development (NEPAD) Business Networking Forum (NBF), as well as targeted engagements with ambassadors and diplomats.

We continue to leverage on the trust we wield in both public and private sectors to convene open dialogue on legal, policy, regulatory, and commercial issues. Through our partnership with the NBF, we can facilitate results-oriented public and private engagements and projects.

Embedded in our Code of Ethics and Conduct is our established policy that we will not make political donations or sponsorships. For the period under reporting we can confirm that we have not contributed to any political campaigns or candidates through donations or sponsorships.

Why we engage with government

- To commit to the National Development Plan 2030 and all associated national campaigns aimed at socioeconomic development, as well as the development of sustainable communities.
- To support the productive capacity of the economy.
- To facilitate economic growth through effective public and private partnerships.
- To help preserve the fiscus.

Why government engages with us

- We have the capacity to disburse government funds.
- To ensure regulatory oversight over the financial community at large.
- To partner on national campaigns aimed at socioeconomic development, and the development of sustainable communities.

KEY HIGHLIGHTS FOR 2020

Legitimate and reasonable needs, interests, concerns and expectations of stakeholders

Supporting meaningful dialogue between the renewable-energy sector and government

Our response and actions

Ministerial engagement forum with renewable energy (RE) stakeholders

We participated in founding meetings between the Mineral Resources and Energy Minister Gwede Mantashe and renewable-energy stakeholders on 16 July 2020. The forum seeks to build trust, improve communication and reduce obstacles to the rollout of renewable energy in SA. In a virtual meeting, the Minister urged the more than 100 attending stakeholders to move beyond 'polemics and anarchy', and to offer solutions to the current constraints facing the electricity supply industry. He emphasised that government's approach to the energy transition would be to embrace an energy mix that was open to various generation technologies, as well as to one that was framed by the need for a 'just transition'.

Outcomes

Overwhelming support for establishing a smaller, legitimate ongoing Ministerial RE Sector Engagement Forum, broadly structured to represent the RE sector in ongoing substantive engagements with the Minister to address RE delivery bottlenecks. The Minister and the RE sector of South Africa to appoint a facilitator free of commercial vested interests who shall be mandated to proceed coordinating the above going forward, and that funding be provided for this purpose. The engagements with this ministerial initiative continue and are achieved through BASA, of which the Nedbank Group is a member.

Consolidation of opportunities arising from the African Continental Free Trade Area (AfCFTA) and reimagining Africa's economic future

Nedbank Group Strategic Relations and Public Affairs (GSRPA) attended the session called, 'Post Covid-19 Recovery Strategies and Regional Integration in Southern Africa: Challenges and Opportunities for the private sector', hosted by the United Nations Economic Commission for Africa (ECA) and the Southern African Development Community (SADC) Business Council. Our attendance was facilitated by the Nepad Business Forum.

The session included members of the business community across 11 SADC member states, government officials and policy experts.

The main objective of the session was to reflect and stimulate discussions on potential post-Covid-19 strategies and policies that can unleash opportunities for the private sector as part of building back better.

Industry bodies

We regularly interact with the industry and cross-sectoral organisations, and supported numerous health and economic interventions through industry bodies such as Business Unity South Africa (BUSA), Banking Association South Africa (BASA), the National Business Initiative (NBI), Business Leadership South Africa (BLSA), South African Banking Risk Information Centre (SABRIC) and the Payments Association of South Africa (PASA), among others.

Why we engage with business and industry bodies

- To continue learning through interaction.
- To use business associations as a forum through which we can promote our viewpoints and collaborate on key industry issues.

Why industry bodies engage with us

- To deliver mutually useful learnings.
- To influence or promote common agendas.

“ With Nedbank, there is a lot of synergy, albeit we have our different roles. ”

Gillian Hutchings, National Business Initiative

KEY HIGHLIGHTS FOR 2020

Legitimate and reasonable needs, interests, concerns and expectations of stakeholders

Addressing key issues facing the banking sector during the Covid-19 pandemic, including active engagements with government and regulators, and ensuring banks can support their customers, while at the same time, preserving the safety and soundness of the financial system.

Our response and actions

We, together with other banks, have contributed significantly to initiatives led by BASA. During 2020 banks had provided financial relief, payment holidays in credit agreements and under the loan guarantee scheme – to South African businesses and individuals who were financially distressed due to the Covid-19 pandemic and national lockdown.

Sustainable relief is ongoing as our standard banking practice. It is our social responsibility to offer help to clients. In addition to our Covid-19 initiatives, we waived ATM and network fees until 1 June 2020 to reduce congestion inside our banking premises. Banks will not profit from Covid-19 loans, although administrative and capital costs must be recovered.

“ Nedbank is an absolute critical stakeholder [to us] – 90% of our expenses are paid for by the big five banks, including Nedbank. ”

Pierre Venter, Banking Association of South Africa

SA's business leaders are expected to engage key players in South African society, including government, civil society and labour, to exchange ideas in our national interest and to create effective dialogue.

Continued support for industry bodies

We have maintained our membership with industry bodies such as BLSA, BUSA and others. We have participated in new associations such as Business for South Africa (B4SA), which were created to collectively address SA's response to the pandemic.

Media

Nedbank frequently interacts with media across all platforms, including digital, print and TV. Our group communications strategy operates to enable and advise Nedbank on issues relating to:

- reputation management;
- building trust;
- helping maintain our social licence to operate; and
- delivering Nedbank's narrative of its purpose in innovative and disruptive ways.

Why we engage with the media

- To communicate our business and corporate citizenship story with relevant stakeholders.
- To share information about our products and services.
- To protect and manage our corporate reputation.

Why the media engages with us

- To share and inform their audiences on developments in the financial services sector and Nedbank specifically.
- To enquire about our contribution to the SA economy, and our products and services.

KEY HIGHLIGHTS FOR 2020

Legitimate and reasonable needs, interests, concerns and expectations of stakeholders

Our response and actions

Media engagements

Keeping our stakeholders and the general public informed about Nedbank activities through the media.

For 2020 Nedbank held 45% of the presence of voice among its competitors.

Most of the coverage (85%) received for Nedbank was accompanied by a neutral sentiment. This included mentions of the bank, specifically relating to trading updates and Nedbank as a competitor in the banking industry.

Responding promptly to reputation media queries

During 2020 media queries increased mainly relating to understanding the bank's role and approach within the Covid-19 environment. We were readily available to respond promptly to any media queries or requests for information at all times.

Regulators

Nedbank is committed to complying with all applicable local and international laws, regulations and supervisory requirements, guided by an established, comprehensive set of board-approved policies, procedures and governance structures.

We are regulated by various entities, such as SARB, which acts as the primary regulator for Nedbank Group through the Prudential Authority.

Other important regulators with whom we engage include the following:

- JSE Limited.
- Financial Sector Conduct Authority.
- Financial Intelligence Centre.
- National Credit Regulator.
- Consumer Protection Regulator.
- Financial Surveillance Department.
- Regulators in the countries in which our subsidiaries operate.
- South African Revenue Service (SARS). At Nedbank our view is that the tax we pay is imperative for the economic and social development of the countries in which we operate. Our compliance with SARS ensures that we continue to contribute meaningfully to government budgets through our tax contributions and taxes collected on behalf of SARS and foreign revenue authorities.
- Various government departments and chapter 9 institutions, including the Department of Trade and Industry and the Department of Labour.

We believe good governance is a product of adherence to regulations and robust engagements with regulators. By extension, good governance enables us to live our values through enhanced accountability, strong risk and performance management, transparency and effective leadership.

Why we engage with regulators

- We are committed to high standards of governance, ethics and integrity.
- We embrace world-class banking practices and robust institutional frameworks to ensure our banking services are secure and stable.
- We are constantly reviewing these practices to ensure that we always act in the best interests of our stakeholders.
- Our approach to risk and compliance management goes beyond simply meeting legislative requirements, with our practical and enabling risk culture ensuring that spirit and intent are always kept in mind, while valuing the integrity and importance of appropriate governance.

Why regulators engage with us

- Together with other regulators, SARB plays a pivotal role in ensuring financial stability in SA. Banking regulation covers all aspects of regulation affecting the banking industry.
- Regulators ensure all financial services adapt to regulatory changes quickly, which means that at Nedbank we are expected to entrench good governance practices while retaining the flexibility to respond proactively to the fast-changing regulatory environment.

Compliance with the Commission of Inquiry into Allegations of State Capture (Zondo Commission)

In November 2020 Nedbank was mentioned in testimony led in respect of certain transactions concluded with state-owned entities (SOEs) and in which the Regiments Group was involved as an advisor to the SOEs. There were, however, no allegations against Nedbank of any unlawful or untoward conduct.

We continue to support and cooperate with the Zondo Commission and in particular, providing information, as and when requested.

Our activities are conducted in an ethical and transparent manner for the benefit of our clients and stakeholders. We have a zero-tolerance policy for corruption, and we expect all our stakeholders, including our clients, service providers and employees to conduct themselves in an ethical manner.

KEY HIGHLIGHTS FOR 2020

Updated banking accord

The Nedbank Group complies with the recently updated banking accord signed by SARS and BASA. The accord encourages the banking industry to promote tax compliance, both within banks and by their clients, to determine and review the effective tax rate of banks periodically; discourage the involvement in and promotion of impermissible tax avoidance arrangements; timeously supply and disclose relevant information to SARS; and regularly engage SARS in resolving any disputes. The accord also encourages SARS to enhance the levels of service to BASA members from various initiatives, such as adhering to statutory timelines, promoting compliance with the SARS Service Charter, dedicating skilled resources to the banking industry and ensuring professionalism in the services provided to the industry. The accord further seeks to enhance the relationship between SARS and banks, and to provide greater certainty about the interpretation and application of tax and customs laws, as well as the identification of tax risks.

In addition, the accord has established the BASA/SARS Operational Forum to facilitate interaction between SARS and BASA regarding all tax-related operational issues that are relevant to the banking industry and SARS. The Nedbank Group pledged its commitment to facilitate and support SARS in the automation of the third-party data process and other SARS information technology initiatives.

Ensuring effective management of regulatory and supervisory risks

Nedbank continued to ensure effective management of regulatory and supervisory risks, as contemplated in Regulation 49 of the Bank's Act. The following compliance highlights were achieved:

- We approved adjustments to the compliance coverage plan due to Covid-19 and managed the completion thereof.
- We achieved quick turnaround on, among other things, evolving Covid-19 regulations and input into market conduct regulations.
- All Nedbank clusters have complied with the mandatory requirement instituted by SARB to report on the number of Covid-19 infections and recoveries among our employees on a daily basis.
- We continued to cooperate with the Zondo Commission.
- We approved a Modern Slavery Act Statement, detailing steps taken to ensure that slavery and human trafficking are absent from our supply chain and business.
- We maintained oversight of anti-money laundering (AML), combating the financing of terrorism (CFT) and sanctions compliance levels and had an AML/CFT inspection by SARB.



Shareholders

Since the onset of the Covid-19 pandemic, we have continued to pivot and reimagine our business models in ways that allow the Nedbank Group to service all its material stakeholders, not least our shareholders.

Our shareholders and other related stakeholders include the following:

- Retail shareholders, asset managers and retirement funds in SA – and increasingly in international markets – that invest in Nedbank equity and preference shares as well as funding instruments.
- Twelve sell-side analysts, down two from the prior year.
- Moody's and Standard & Poor's credit rating agencies.

Within the 'new normal', we have taken the new paradigm of working from home into account, accelerated shifts to e-commerce and contactless transactions, government-imposed social distancing regulations, and health safety threats associated with public spaces and crowds, particularly indoors.

As part of our operating model transformation that is aimed at protecting the value of our business, we have rededicated our focus to the four principles that inform our new Ways of Work:

- Lead with client experience as a way to win in the wake of the challenging external environment.
- Implement an agile way of working at scale to deliver market-leading client experiences.
- Deliver efficiencies, as envisaged in the operating model, initially through agile banking services and subsequently by unlocking more structural change.
- Acknowledging that winning the war for talent is the key enabler in this transformation, we aim to create a world-class employee experience, supported by gold standard people practices.

We have ensured that our evolving strategy and transformation is communicated proactively to our shareholders through an active investor relations programme. Our management holds regular meetings with the investment community for topical discussions, while our board engages on environment, social and governance (ESG)-related matters at least once a year.

Why we engage with our shareholders and the investor community

- To provide current and future shareholders with relevant and timeous information to ensure that Nedbank shares are appropriately valued.
- To manage shareholder expectations and reputational risk.
- To maintain strong relationships, keep abreast of market developments and inform our shareholder targeting strategy.
- To ensure good governance and deepen the trust placed in us and our brand.
- To get feedback that informs our strategy, business operations and how we govern.

Why our shareholders and the investment community engage with us

- To derive value through share price appreciation and an attractive and sustainable dividend stream.
- To receive relevant timeous information on our strategy, competitive position and financial and non-financial performance, so that they can assess our performance and prospects.
- To assess and gain insight into our ESG practices and quality of leadership.

KEY HIGHLIGHTS FOR 2020

 For details on how we create value to meet the needs and expectations of our shareholders, please refer to our 2020 Integrated Report available on our group website at nedbankgroup.co.za.

Supplementary information

MEMBERSHIP BODIES AND ASSOCIATIONS

We are represented on, or are a signatory to, a range of industry bodies and are members of numerous sustainability platforms. This ensures that we are aware of global trends and best practices. It enables us to contribute to furthering the sustainable development agenda while building strong, resilient institutions – including our own and those of our clients.

Our sustainability efforts and governance and risk management approaches are informed by, among others, the following industry best practices and bodies:

- The UN SDGs.
- King IV.
- The UN Environment Programme Finance Initiative (Unep FI): Africa Network, National Capital Declaration, Positive Impact Initiative and TCFD Phase II Working Group.
- The Code for Responsible Investing in South Africa.
- The NDP.
- The Banking Association South Africa: Sustainable Finance Committee, Positive Impact Finance Task Group and Climate Risk Forum.
- United Nations Global Compact (UNGC): the CEO Water Mandate.
- The Association of Ethics Officers in Africa.
- The Organisation for Economic Cooperation and Development: Financial Sector Mapping Advisory Group.
- The National Business Initiative Advisory Committee on Climate Change.
- The Embedding Project: South Africa Peer-to-peer Network.
- The International Finance Corporation (IFC) Performance Standards.
- The Equator Principles.
- The UNGC Advisory Committee.

RECOGNITION AND RATINGS

The awards we received in the 2020 financial year included the following:

- 2020 Environmental Finance IMPACT Awards – Nedbank Green Renewable-energy Bond recognised as Impact Initiative of the Year.
- 2020 Sunday Times Top 100 Companies Awards – Nedbank CEO, Mike Brown, was awarded the 2020 Business Leader of the Year.
- 2020 EY Excellence in Integrated Reporting Awards – Nedbank achieved first place with honours at the 2019 EY Excellence in Integrated Reporting Awards (third year in a row).
- 2020 African Banker Awards – Nedbank's Green Renewable-energy Bond was awarded the Energy Deal of the Year.
- 2020 Euromoney Private Banking and Wealth Management Survey – Nedbank Private Wealth named Top Private Bank and Wealth Manager in SA for ESG/Social Impact Investing and Philanthropic Advice.
- 2020 Morningstar Awards – Nedgroup Investments won the award for Best Global Equity Fund.
- 2020 Raging Bull Awards – Nedgroup Investments named Offshore Management Company of the Year for the fifth year in a row.
- 2020 City of London Wealth Management Awards – Nedbank Private Wealth was recognised as Best Private Bank in the UK for the sixth year in a row.
- 2020 Brand Finance Review – Nedbank's brand ranking in the Brand Finance Review of SA's most valuable brands companies moved to eighth in 2020 (11th in 2019).
- 2020 Trialogue Perception Survey – Rated second by NPOs and third by other companies as a company that has a meaningful impact in communities through its CSI investments.

Our sustainability credentials include the following:

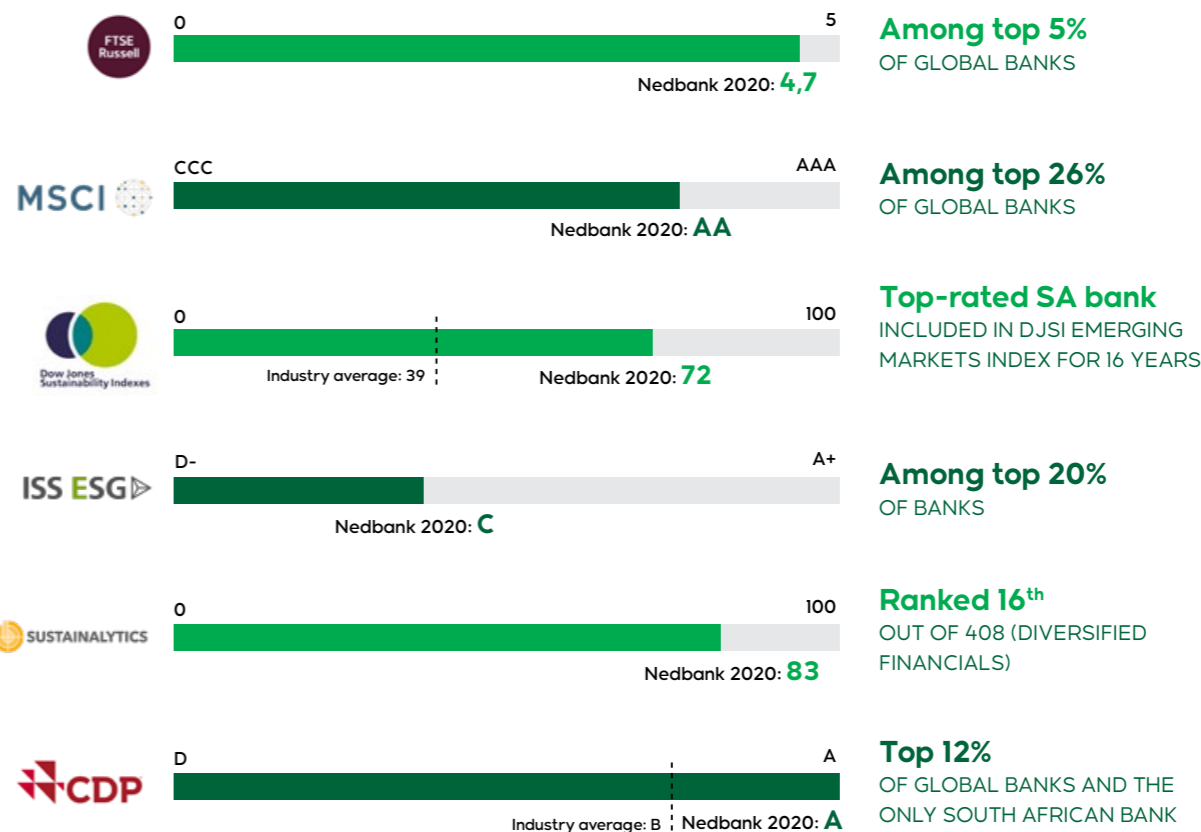
- **Carbon-neutral status** – Africa's first carbon-neutral financial organisation. Carbon-neutral since 2010.
- **FTSE4Good Index** – A global responsible-investment index for companies that demonstrate strong ESG practices. Included in 2020.
- **FTSE/JSE Responsible Investment Top 30 Index** – Constituent of the index.
- **Dow Jones Sustainability Emerging Markets Index 2020** – A global performance benchmark for companies in terms of corporate sustainability. Included since 2004. Inclusion helps attract investment to the company.
- **NASDAQ Sustainable Bond Network** – Nedbank is the first SA sustainable-bond issuer to be invited to join.
- **SA Carbon Disclosure Project Index 2020** – Scored an 'A' for performance. Score recognises our corporate environmental action on climate change.
- **WWF-SA Water Source Areas partnership (2019-2023)** – Invested R25m (R5m annually over five years) to safeguard critical water source areas, improve rural livelihoods and promote land stewardship.
- **Green building ratings** – 10 Green Star-rated buildings with 18 Green Star ratings.
- **Independent ESG ratings** – Nedbank rates well among its global peer group.

Nedbank ESG ratings

ESG scores and ratings help stakeholders to evaluate the positive and negative impacts of a business on society – and hence its true value. Our ESG scores, as rated by a number of key rating agencies, are disclosed below. These point to the fact that we perform well against our peers in terms of ESG considerations.

INDEPENDENT ESG RATINGS – Nedbank is highly rated among its global peer group

----- Peer benchmark



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