



Protecting and restoring nature and biodiversity requires a profound societal and economic shift wherein the financial sector can have a powerful positive influence. This position statement builds on our Climate Position Statement, acknowledging that nature and climate are inextricably linked. It explains how Nedbank understands nature, its current state, and what must be done to restore nature. This statement guides us on a path that is aligned with global best practice, forming the basis for our related strategies and the foundation from which policy and related nature commitments and targets can be set. This statement has been approved by Nedbank's Executive Management Committee and the Nedbank Board, which will also approve and monitor future commitments stemming from it.

Framing

i The fundamentals of nature

- At Nedbank, we acknowledge that human beings are part of nature and not separate to it. Human society and industry are embedded within, dependent on and impact nature.
- We understand nature as the physical world and all the features, forces, and processes that exist independently of human activity, such as the weather, landscapes, and ecosystems. This system of life, and the essential services it provides, – underpin all of humanity's economic, social, and cultural activities.
- Nature provides essential services like pollination and air and water purification, helps regulate the climate, and protects against extreme weather events and erosion.
- Nature further offers essential provisions like food, water, fuel, shelter, building materials, medicine and cultural identity, and supports a range of job opportunities.
- Business leaders have a critical role to play in steering their organisations towards a future where humanity understands, appreciates, and respects nature and its limits so that current and future generations can thrive.

ii Objectives and principles

Nedbank's approach is guided by the following:

- The **Kunming-Montreal Global Biodiversity Framework**, adopted by 196 nations in December 2022, which seeks to stop biodiversity loss and protect 30% of the world's lands and oceans by 2030. The framework outlines the pathway towards an equitable and nature-positive* future by 2050. It states that to safeguard resilience, society will need to stop harming nature by avoiding and minimising its negative impacts, contribute to restoring nature, and in cases where impact cannot be avoided, engage in investments to compensate, and replenish nature.
- The **United Nations General Assembly resolution and section 24 of the Constitution of South Africa** recognising that a clean, healthy, and sustainable environment and access to the services it provides is a universal human right.
- The recommendations of the **Taskforce for Nature-related Financial Disclosures** for reporting on nature-related impacts and opportunities.
- **South Africa's Revised National Biodiversity Framework** and the 2015–2025 **National Biodiversity Action Plan**.

The science

i Global status of nature

- The continued healthy functioning of nature's services and cycles is essential to society, our economic and financial systems, and our very existence; yet nature is in a state of rapid decline.

- The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports that approximately 70% of global wildlife has been lost, 1 million species face extinction and that most global ecosystems and biodiversity indicators are in decline. Experts believe that we may be amid a 6th mass extinction, with this one being driven by human activity.
- This nature loss is not simply a matter of biodiversity decline and extinction rates. Land use and the health of ecosystem services are intertwined and equally important. Human activities have transformed over 75% of the earth's total land surface for human habitation, food production, and other industrial purposes.¹
- The transformation of forests, wetlands, mangroves, coral reefs, and other vital and unique wildlands erodes – and potentially eliminates – these ecosystem services that make our society safe and habitable.
- Healthy, balanced, and varied ecosystems and biodiversity are crucial to the resilience and sustainability of our planet: without sufficient biodiversity, ecosystems will collapse,² and without healthy ecosystems, the regulation of chemical cycles that enable earth to support life will be compromised.³
- Humans face the risk of an economic and ecological unravelling due to the erosion of genetic and habitat diversity and the interactions between them, which are accelerating due to climate change.⁴

ii Status of nature in southern Africa

- Africa, and particularly southern Africa, is blessed with a staggering array of biological diversity. This abundance of natural wealth is a key resource in many African countries.
- Many African economies are highly dependent on a resilient natural resource base for production, export, and government revenue. Many economic sectors and activities rely heavily on natural resources such as water, minerals, fish, timber and agriculture. These industries are growing in quantity and value, but the production basis for these activities is eroding.
- In South Africa alone, 50% of ecosystems are categorised as threatened, particularly wetlands and estuaries, and about 60% of land is categorised as degraded, which lowers the ability of an ecosystem to contribute services.⁵
- This nature loss threatens hundreds of thousands of jobs directly related to biodiversity and nature, such as tourism and conservation, and indirectly in industries such as agriculture, and exacerbates inequality through increased hunger and malnutrition, and restricted access to water for millions more.

* 'Nature-positive' is defined as reversing the current decline in biodiversity so that species and ecosystems can begin to recover. This definition is derived from the Nature Positive Initiative aimed at driving global alignment around the definition and integrity of its use.

¹ <https://www.nationalgeographic.com/science/article/ipbes-land-degradation-environmental-damage-report-spd>

² 'Biodiversity loss and its impact on humanity.' Retrieved on 30 March 2022 at: <https://www.nature.com/articles/nature11148>

³ Carrington, D. What is biodiversity and why does it matter to us? The Guardian. Retrieved on 30 March 2022 at

<https://www.theguardian.com/news/2018/mar/12/what-is-biodiversity-and-why-does-it-matter-to-u>

⁴ IPBES Global Assessment Report 2019

⁵ Nedbank Biodiversity Part 1: Introducing Biodiversity

iii Drivers of nature loss

- Nature is rapidly deteriorating, with unsustainable and interconnected patterns of human-driven activities being the direct cause. Key threats are significantly increasing the risk of abrupt and irreversible social, environmental, and economic consequences.⁶
- The IPBES has identified 5 key threats that are driving nature loss:
 - Land and sea use change (including habitat loss and degradation).
 - Pollution (including the persistent and growing use of insecticides, herbicides, and other dangerous chemicals).
 - The overexploitation of species.
 - Climate change.
 - Invasive species and disease.⁷
- These trends and rising threats create feedback loops and compound on each other to cause an accelerated decline in nature.

iv Nature and climate

- Climate change and nature loss are inextricably linked. Healthy ecosystems – and the biodiversity they contain – are natural carbon sinks, and they are crucial to capturing and sequestering greenhouse gas emissions.
- Healthy and resilient natural systems have tremendous capacity for adapting to the effects of climate change. However, this capacity diminishes as the resilience of natural systems erodes. The greater the decline in nature, the greater the intensity of climate change effects, which further drives nature loss. This feedback loop presents enormous risks to businesses and societal well-being – risks that threaten to compound and cascade.
- Efforts to address these risks must be integrative and mutually reinforcing. We must take action to restore nature and decarbonise our economies at the same time, and find opportunities to leverage and grow complementary efforts in a just and equitable manner.
- Please refer to the Nedbank Climate Position Statement for more on Nedbank's climate commitments.

v Nature and an equitable economy

- Over half the world's total GDP – approximately US\$55-58 trillion – is moderately or highly dependent on nature and its services; yet the global economy – as it currently exists – is not compatible with the finite nature of the planet's resources.⁸
- Modern economic systems rely on sustained growth, both in terms of consumption and production. The pursuit of unrestrained growth, coupled with a growing global population, contributes to further industrialisation and urbanisation, which results in the further degradation of nature through the ongoing conversion of natural spaces for human use.
- These adverse impacts on nature are not created, nor distributed equally. The impacts of nature loss are often most felt by people who do not benefit directly from the activity that causes it. This inequity exposes the most vulnerable to the worst effects of nature loss.
- Economies must grow to achieve equity for all, but a better kind of growth can and should be prioritised – one that is regenerative, equitable and inclusive. This requires an economy that operates within the limits of the planet by changing the ways we produce, use, consume, and dispose.

vi The role of financial institutions

- The financial system, like local and global economies, is embedded in and dependent on the natural environment. All businesses are part of this nested system bounded by the health of the planet and society. As nature declines, the scope and scale of ecosystem services diminish, eroding social and economic resilience.
- Addressing nature loss requires a profound shift in the structure of our economies, demanding a response from society, governments and businesses, as well as financial institutions, that considers the measurement and identification of what matters, who benefits and how the funding of activities and behaviours that counter nature protection and restoration efforts are reassessed and, where required, ceased.
- The link between nature loss and climate change means supporting a Just Transition* process by incorporating nature into internal decision-making mechanisms; redirecting financial flows (over time) away from projects with material negative impacts on the environment and placing a greater focus on projects with measurable positive impacts; and providing sustainable finance instruments that support companies and projects that protect, restore, and/or enhance nature.

Nedbank's approach

i Our impact on nature

- As Nedbank, we affect nature through our lending, investments, loans, and insurance underwriting.
- We recognise that land use change is driving nature loss and are cognisant of the varying degrees of impact that different sectors have on nature and accordingly apply a differentiated approach across sectors.
- Different ways of producing, consuming, and financing these activities will be considered to ensure that we can meet our current needs and support the well-being of future generations without destroying our natural resource base.
- Nedbank has a responsibility to limit and ultimately reverse its negative impact on nature and, consequently, to advance the resilience of the societies and economies we operate in.

ii Nedbank and nature-related risks and opportunities

- We have a responsibility and a vital role as group to play in helping protect and, where possible, restore nature.
- The clients within our portfolio depend on natural capital assets and ecosystem services, either directly in their operations or indirectly through their supply chains. They may require space and healthy soil for agriculture and use natural materials such as lumber or metals, or ecosystem services such as water movement. When these provisions and services are put at risk, so too is the success of their businesses and ours.
- Nature loss erodes community, societal, and economic resilience, which threatens to expose industries and markets and therefore the bank to unpredictable and potentially acute material risks.
- Supported by appropriate and enabling national regulation and policies, Nedbank can play an important role in helping influence the behaviour of the clients that we fund through sustainability-focused products and services, and seize opportunities to reallocate lending towards industries and initiatives that contribute to the resilience and restoration of nature.

⁶ <https://www.worldwildlife.org/stories/what-is-the-sixth-mass-extinction-and-what-can-we-do-about-it#:~:text=Unlike%20previous%20extinction%20events%20caused,been%20converted%20for%20food%20production>

⁷ <https://www.unep.org/news-and-stories/story/5-key-drivers-nature-crisis#:~:text=Agricultural%20expansion%20continues%20to%20be,species%20at%20risk%20of%20extinction.>

⁸ <https://www.pwc.co.uk/press-room/press-releases/corporate-news/more-than-half-of-global-gdp-is-exposed-to-material-nature-risk.html>

* A Just Transition must ensure that the transition to a low carbon economy is conducted in a way that serves to address present and historical inequality, creates jobs, relieves poverty, restores our natural systems to build resilience, and, critically, leaves no one behind.

- Nedbank currently protects nature by applying risk screening before making lending decisions. This is done through our Social and Environmental Management System, which identifies and appropriately mitigates the potential negative impact of the activities financed by Nedbank on the environment and communities. By example, we restrict financing to high-impact industries in conservation areas.
- Ensuring alignment of our Social and Environmental Management System and related actions with South Africa's Revised National Biodiversity Framework, and integrating and coordinating our conservation, management, and restoration efforts with key role players will help accelerate the implementation of the 2015–2025 National Biodiversity Action Plan.
- The application of our Climate Risk Appetite Statement, which contains exclusions that support nature restoration and protection, also prohibits lending to certain activities in particular areas, including protected areas and water scarce areas.

iii Nedbank's commitment to nature

Our efforts to protect and restore nature will build on the work we are doing to move South Africa, and the other jurisdictions that we work in, towards a net-zero economy, including the investments we have already made into strengthening biodiversity and nature.

This work includes:

- Our ambition is to have increased our sustainable development finance (SDF) exposures to 25% of the group's total gross loans and advances by 2030, through originated growth of SDF assets being higher than overall GLAA growth.
- Our support for the World Wide Fund for Nature (WWF) and the WWF Nedbank Green Trust:
 - Over 30 years, on behalf of our clients, Nedbank has invested over R300m into 158 nature-based projects, supporting 19 protected areas, catalysing several other protected-area sites and directly contributing to the security of our Strategic Water Source Areas. Through the WWF Nedbank Green Trust over 240 000 hectares of the grasslands biome has been conserved* and we have funded conservation efforts for a range of important fauna including black rhino, ground hornbill, oribi antelope and South Africa's national bird, the blue crane.
 - The WWF Nedbank Green Trust also funded the creation of the Sustainable Finance Coalition and South Africa's first ever tax incentive for conservation, which has, in less than a decade, unlocked over R736 Million in sustainable financing of which R519 Million consists of tax benefits for protected and conserved areas
- Our Social and Environmental Management System that promotes nature protection and restoration.

Acknowledging the link between nature loss and climate change, we are committed to understanding how we best support the targets of the Global Biodiversity Framework.

To achieve this, we commit to the following:

- Developing, over the medium term, the internal capacity to assess and disclose nature-related dependencies, impacts, risks, and opportunities. We will disclose our progress in this regard annually. As we build this knowledge, we will be better positioned to set credible and science-based targets in support of the Global Biodiversity Framework in the future.
- Maturing our Nedbank Social and Environmental Policy, Social and Environmental Management System and our Client Social and Environmental Assessment in line with developing global best practice.
- Working with our conservation partner WWF and other industry experts to remain abreast of latest nature developments and testing how those can be applied in our business.

We recognise that levers for change within South Africa and the greater continent, as a developing region, are limited. A balance must be struck between the development needs of Africa's people and the urgent need to preserve nature and biodiversity that, in itself, is key to the security of those development needs. Influencing positive change, however, is difficult without appropriate regulation and policies, and the legislative landscape is continuing to evolve.

We therefore commit to the following:

- Monitoring the implementation of the SA National Assembly's Climate Change Bill and other regulatory developments; assessing how it might affect our nature-related strategy and commitments; and updating our Nature Position Statement regularly to reflect our learnings.
- Learning and disclosing how we can contribute to this evolving landscape, acknowledging that the terminology and processes used for identifying and measuring financed impacts on nature need to mature.
- Considering future enhancements to the Nedbank Remuneration Policy to provide additional incentives to align leadership behaviours with the spirit of this position statement.

Annual progress is shared in our 2025 Nedbank Climate Report and 2025 Nedbank Society Report.

* The grasslands biome is the second-largest biome in South Africa and home to over 3 000 plant species and numerous endangered, vulnerable, endemic, and near-endemic species. Less than 3% of the grasslands biome is protected, making this a priority landscape for protection.