

# The Nedbank Climate Change Position Statement

2026



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**Nedbank's climate change position is informed by established scientific consensus, internationally agreed climate frameworks and regulatory expectations, together with the practical realities of operating across diverse African and global markets. Within this context, we remain committed to acting responsibly, transparently, and pragmatically in support of a lower carbon and more resilient economy.**

## Framing

- Climate change is one of the defining systemic issues of the 21st century, alongside poverty and inequality, which are themselves exacerbated by climate change.
- Increasing concentrations of greenhouse gases (GHGs) in the atmosphere from human activities (e.g. energy generation, industry, transport, agriculture) are producing a significant warming effect that may trigger irreversible changes to the climate system of the earth.
- Climate related risks—both physical and transition—are increasingly manifesting across geographies and sectors, with implications for credit risk, asset values, operational resilience and financial stability.
- Physical climate impacts are no longer future risk but are already affecting communities, infrastructure and economic activity reinforcing the need for climate adaptation and mitigation.
- Without urgent, unprecedented action and cooperation from all stakeholders, prospects for economic development, political stability, and societal wellbeing are expected to deteriorate.
- Failure to address climate change will commit the African continent to a much more challenging and less prosperous future, since Africa is both highly exposed to the physical impacts and often lacks capacity to respond to those impacts.
- While the ambition to limit global warming to 1.5°C remains a critical reference point, current scientific evidence suggests that achieving this outcome is becoming increasingly challenging. This reinforces the urgency of accelerating emissions reductions, while also strengthening adaptation and resilience to manage unavoidable impacts.
- The principles of the Paris Agreement include that actions must be guided by the best available science; allow for common but differentiated responsibilities, taking into consideration national circumstances and capabilities; and ensure a just transition.
- These principles require flexibility of approach across the many national jurisdictions in which Nedbank operates.
- Since the Paris Agreement underscores 'the imperatives of a just transition of the workforce and the creation of decent work and quality jobs',<sup>3</sup> the just transition is not a trade-off versus climate action; its achievement is inextricably linked to avoiding dangerous climate change.

## Science

- Arresting the global temperature rise requires stabilisation of the atmospheric CO<sub>2</sub> concentration, which is achieved when emissions from sources and removals by sinks balance to zero. Until net zero is achieved globally, climate change will continue to worsen.
- Since much of the CO<sub>2</sub> emitted remains in the atmosphere for centuries, a given temperature increase is closely related to cumulative emissions. This establishes a finite and diminishing global carbon budget for CO<sub>2</sub> emissions from human activity.
- Carbon budgets provide a reference for the overall emissions space within which global, national and organisational climate strategies must balance socioeconomic development objectives.
- Delays in CO<sub>2</sub> emissions peaking imply steeper and deeper subsequent reductions to compensate for the higher interim emissions.

## Objectives and principles

- The Nedbank climate change position rests on the objectives and principles of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, further informed by the scientific reports of the Intergovernmental Panel on Climate Change (IPCC).
- Preventing dangerous anthropogenic interference with the climate system means 'holding the increase in the global average temperature to well below 2 °C above preindustrial levels and to pursue efforts to limit the temperature increase to 1,5 °C'.<sup>1</sup>
- This will require 'global peaking of greenhouse gas emissions as soon as possible', followed by 'rapid emissions reductions', to achieve 'a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century',<sup>2</sup> a condition commonly known as net zero.

<sup>1</sup> Paris Agreement, Article 2, paragraph 1(a).

<sup>2</sup> Paris Agreement, Article 4, paragraph 1.

<sup>3</sup> Paris Agreement, preamble.

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## Ambition

- Guided by the overarching ambition of achieving net zero by 2050, Nedbank aims to be at the forefront of managing climate change risks and financing innovative solutions in ways that are sensitive and flexible to the specific contexts and markets in which it operates.
- All nations within which Nedbank conducts business are signatories to the Paris Agreement, which is predicated on progressively ambitious action in the form of voluntary nationally determined contributions (NDCs).
- Although most of the NDCs remain insufficient, countries have increased their ambition following the global stock take and are expected to continue doing so as required by the Paris agreement and supported by climate change science and technological innovation progress.
- Nedbank will emulate the spirit of the NDC review process, by periodically reviewing and, where appropriate, strengthening relevant internal sector policies, guidelines, mandates and incentives considering advancing scientific understanding, technological progress and local market conditions.

## Approach

- Nedbank will use the carbon budget construct to develop science-based targets and a range of transition planning tools, including glidepaths, to inform relevant sectoral policies. These tools will be applied flexibly to reflect differences across sectors, markets and technologies thereby allowing the bank to support and enable clients to pursue credible transition pathways, and to contribute to the broader transition towards a net zero economy by 2050.
- Since most physical capital (e.g. power plants, industrial facilities, buildings, transportation infrastructure) implicated in GHG emissions is long-lived, the timing of the shift in investments and strategies will be crucial to avoiding a disorderly transition.
- For the energy sector specifically, the objectives of the Paris Agreement imply immediate, rapid and profound change: The sector should be decarbonised fully by 2050, which allows additional space and time for sectors and activities with limited abatement options (e.g. steel, cement, aviation).

- The Bank's Sustainable Development Framework, founded on the UN Sustainable Development Goals (SDGs), will continue to inform its understanding of how to close financing gaps and capture new business opportunities linked to creating the next economy, as will adherence to and support for related laws and regulation such as the Climate Act 2024 in South Africa.
- These opportunities include the provision of clean, affordable, safe and efficient energy services, as well as clean water and sanitation, regenerative agriculture, nature-based solutions, sustainable cities, climate-resilient infrastructure and digital technologies, with both the mitigation and adaptation requirements being considered.

## Transparency and accountability

- We recognise that achieving net zero emissions by 2050 is subject to external dependencies—including climate-related policy and regulatory frameworks, market structures, technological progress and client transition readiness.
- Engaging with our clients to understand their transition journeys and related funding needs will be key to Nedbank meeting its net zero commitments.
- Nedbank is committed to transparent disclosure of progress against climate-relevant performance targets and indicators through appropriate channels, aligned with evolving global best practice.
- Nedbank is developing a net zero transition plan that will further outline key goals, actions, and accountability mechanisms to align our business activities with a pathway that delivers real-economy emissions reductions in line with achieving global net zero.
- Nedbank is committed to aligning our climate reporting practices with the latest global standards. We are progressively aligning our climate reporting with the International Financial Reporting Standards (IFRS) S1 and IFRS S2.
- We recognise the importance of climate-related disclosures and their impact on stakeholders. As such, we will strive to provide high-quality, relevant information in line with applicable standards. Our disclosures will include both positive and negative impacts of the business, allowing for monitoring and assessment of progress.