Nedbank Limited - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Nedbank Group is one of the largest financial services groups in Africa, with a strong presence in South Africa. We offer wholesale and retail banking services, insurance, asset management, and wealth management solutions to over seven million clients. Beyond South Africa, we have subsidiaries and banks in Lesotho, Mozambique, Namibia, Eswatini, and Zimbabwe, operating in the Southern African Development Community (SADC). Additionally, we have a strategic alliance with Ecobank Transnational Incorporated (ETI) in central and west Africa. We also provide international financial services to Africa-based multinational and high-net-worth clients through our presence in global financial centers such as the Isle of Man, Jersey, London, and Dubai.

With a history dating back to 1969, our ordinary shares are listed on JSE Limited. As one of South Africa's largest banking groups by assets, we offer a comprehensive range of banking services through our business clusters: Nedbank Corporate and Investment Banking, Nedbank Retail and Business Banking, and Nedbank Wealth. These services include business, corporate, and retail banking, property finance, investment banking, private banking, foreign exchange, and securities trading. Headquartered in Sandton, Johannesburg, we operate operational centres in Durban and Cape Town, supported by a network of branches throughout South Africa and facilities in other southern African countries. Our partnership with Ecobank Transnational Incorporated expands our reach to 36 countries, establishing a Pan-African banking alliance.

At Nedbank Group, we are dedicated to driving positive change, embracing innovation, and meeting the diverse needs of our clients. The climate crisis requires bold action and innovative solutions. Nedbank is committed to actively participating in the transition to low carbon economy, which is demonstrated, amongst other things, through our leading role in supporting investment in renewable energy and ensuring that climate change resilience is a key strategic imperative for the bank that unlocks value for our stakeholders. Accordingly, Nedbank's private power generation for commercial and industrial businesses amounted to exposures of over R1,2 bn in 2022. In addition, we are committed to reducing our financing of fossil fuels, demonstrated by our 20% reduction in thermal-coal exposure between 2021 and 2022. We aim to have 100% of our lending and investing supporting a net-zero carbon economy by 2050.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Eswatini
Isle of Man
Jersey
Kenya
Lesotho
Mozambique
Namibia
South Africa
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	Yes	<Not Applicable>	Exposed to all broad market sectors
Insurance underwriting (Insurance company)	Yes	General (non-life) Life and/or Health	Exposed to all broad market sectors

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify (Johannesburg Stock Exchange listing code)	NED

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Nedbank Board is responsible for climate-related issues. The board explicitly considered climate-related matters at 12 board meetings in 2022. The Board designates a selection of Board members to drive the climate change concerns. In this case the selected Board members, with additional members and experts, form the Group Transformation, Social and Ethics Committee (GTSEC) and Group Climate Resilience Committee (GCRC). The GCRC focuses purely on climate-related risks and opportunities. The GCRC is currently chaired by Nedbank's CEO . The committee meets every quarter. An example of a company-specific climate-related decision made: During 2022, environmental and social commitments were included in the group's long-term incentive scheme, including delivery on the Nedbank Energy Policy and sustainable development-financing targets and ambitions. In addition, Nedbank developed our fossil fuels and power generation decarbonisation glidepath methodology during 2022, which we will pilot internally during 2023 to fully integrate glidepath management into our business, credit, and risk processes. Our glidepaths will consider our trajectory with regard to fossil fuels and our commitment to exiting fossil fuels by 2045, in line with science-based targets. The development of sectoral glidepaths will inform the timelines or rate of exit from the coal, oil and gas sectors in line with the changing context. Nedbank supports the transformation of the energy system and will continue to play a pivotal role in aligning our business activities and actions with the commitments made by South Africa under the 2015 Paris Agreement. Specific focus will be given to achieving a net-zero carbon economy and ensuring energy security while participating in responsible activities. Relating to thermal coal (including mining, trading and infrastructure) the following measures are put in place: No financing of thermal coal mines outside of South Africa. No project financing for new thermal-coal mines, regardless of jurisdiction, from 1 January 2025. Restricting total financing for coal mining companies, thermal-coal-related infrastructure, and thermal-coal related trade to less than 1% of the group's total advances, reducing it to 0.5% by 2030. Accordingly, Nedbank has reduced our thermal-coal exposure by 20% between 2021 and 2022.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities The impact of our own operations on the climate	Nedbank has established robust governance mechanisms to ensure effective oversight of climate-related issues by the board. The board plays a crucial role in reviewing and guiding the bank's strategy, risk management policies, and major capital expenditures, acquisitions, and divestitures, with a specific focus on climate-related considerations. As a standalone committee of the board, the Group Climate Resilience Committee (GCRC) focuses purely on climate-related risks and opportunities. Climate-related topics, including the bank's internal carbon neutral initiative and alignment with the Sustainable Development Goals, are consistently and frequently discussed at board meetings. These discussions provide an opportunity for the board to review and guide the bank's overall strategy, ensuring that it remains aligned with its environmentally sustainable objectives. The board's guidance helps shape the bank's approach to climate-related risks and opportunities, enabling it to navigate the challenges and capitalize on the opportunities presented by climate change. To inform its risk management policies and guide its strategy, Nedbank conducts quarterly risk assessments that include evaluating potential climate-related risks and opportunities. The board's oversight ensures that these assessments are thorough and comprehensive, incorporating climate-related factors into the bank's risk management framework. By reviewing and guiding the risk management policies, the board ensures that the bank remains resilient to climate-related risks and can proactively address emerging challenges. Furthermore, Nedbank applies integrated climate risk processes and the Social Environment Management System. This approach is in line with the TCFD requirements. In addition, the board oversees major capital expenditures, acquisitions, and divestitures, considering the potential climate-related impacts of these decisions. Nedbank is accordingly aligned to international best practices for financial institutions, such as the Equator Principles, which provides guidance on assessing the impact of its portfolio’s projects on climate change. The Equator Principles are only applicable to project finance geared transactions. One of the Equator Principles is the requirement for a climate change impact assessment where projects exceed a certain CO2e threshold. Nedbank, in certain instances, will assess a project finance transaction and include a climate change assessment regardless of the CO2e threshold. By integrating climate considerations into these processes, the board ensures that the bank's investments and business activities align with its sustainability objectives and mitigate climate-related risks. This oversight helps safeguard the bank's long-term financial performance and reputation in a rapidly evolving climate landscape.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Competency is assessed by: Experience: One board member was a previous CEO of the national electricity supplier and has extensive local and international experience with climate change matters. In addition, the Chairperson-designate of the Group Climate Resilience Committee holds significant climate-related experience. Most recently, he served as the Head of the South African Presidential Climate Finance Task Team where he led and coordinated the work to give effect to the Just Energy Transition Partnership (JETP), and to develop the Just Energy Transition Investment Plan. Training: Nedbank is committed to providing bespoke board training programmes to address topics such as climate-related matters. There is continuous upskilling of board members through presentations, e-learning modules, and awareness activities. During 2022, all board members received comprehensive updates and training on various topics, including the following: • Equator Principles (EPs). • Green hydrogen. • The role Nedbank could play in supporting the Presidential Climate Finance Task Team on climate change initiatives.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Implementing a climate transition plan
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking
Risks and opportunities related to our investing activities
Risks and opportunities related to our insurance underwriting activities
Risks and opportunities related to our own operations

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Nedbank's leadership in climate change and sustainable development finance has positioned the organization as a highly regarded institution. The CEO recognises the growing need for deeper engagement, a thorough understanding of strategic actions towards achieving net-zero emissions, and compliance with new disclosure requirements, such as scope 3 financed carbon emissions. As such, the CEO is responsible for assessing and managing climate-related risks and opportunities, as well as the setting, implementation and performance management of our climate transition plan and climate related targets.

The CEO takes full responsibility for addressing these responsibilities and fulfilling the commitments to the board and understands the importance of the Group Climate Resilience Committee (GCRC) in providing strong oversight on climate-related matters. The CEO is committed to ensuring that Nedbank stays at the forefront of climate change initiatives, continuously evolving strategies and operations to align with global best practices.

The board committees, including the GCRC, have formal written terms of reference that are reviewed annually and delegated effectively to address specific responsibilities. These committees report on key discussions and activities to the board, of which the CEO is a member, and the minutes of their meetings are made available to all board members. This keeps the CEO and the informed of climate-related matters through the reports and discussions presented by the GCRC and other relevant committees.

The board relies on the CEO's leadership in driving the necessary actions to strengthen the climate change agenda. They are responsible for fostering a culture of sustainability and responsible finance within the organisation, integrating climate considerations into decision-making processes and encouraging innovation to support the transition to a low-carbon economy.

Together with the board, the CEO ensures that Nedbank remains proactive in engaging with stakeholders, responding to their evolving expectations, and delivering meaningful results in the fight against climate change.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Nedbank has annual reduction targets and longer-term reduction targets. If these targets are met then the corporate executive team, and their subordinates, are eligible for monetary rewards as part of their Goal Commitment Contracts that were applicable for the reporting year. Long-term incentives (monetary and/or share related bonuses) that are dedicated to environmental and social targets are also allocated to management. The environmental and social targets include, but are not limited to, delivering on the TCFD disclosed energy policy with commitments and targets, and also, SDG linked financing, like the financing of renewable energy.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Shares

Performance indicator(s)
Achievement of a climate-related target
Reduction in absolute emissions
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Nedbank has annual reduction targets and longer-term reduction targets. If these targets are met then the corporate executive team, and their subordinates, are eligible for monetary rewards as part of their Goal Commitment Contracts that are applicable for the reporting year.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Executive and employee remuneration is linked to the group's performance on financial, strategic and ESG performance indicators.

Short-term incentive allocations incorporate the performance of the group, the clusters, and the individuals in terms of goal performance contracts based on these performance indicators. The assessment of progress on environmental commitments is based on Group Remuneration Committee's qualitative evaluation of the board-approved metrics, with input from the relevant board committees.

Long-term incentives (monetary and/or share related bonuses) that are dedicated to environmental and social targets are also allocated to management. The environmental and social targets include, but are not limited to, delivering on the TCFD disclosed energy policy with commitments and targets, and also, SDG linked financing, like the financing of renewable energy.

In 2023 Nedbank refined these commitments and metrics, which include the following:
• Energy Policy commitments – progress on renewable energy finance (SDG 7) and timelines and targets related to our Energy Policy, including fossil-fuel-related glidepaths that must be communicated externally in 2024 and the operational carbon footprint (Scope 1 and 2) reduction of 40% from the 2019 baseline by 2025.
• Sustainable Development Finance (SDF) - ambitions to increase SDF exposure to around 20% of the group's total gross loans and advances by the end of 2025 (2022: 14%), supported by more than R150bn in new SDF that is aligned to the SDGs.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	Nedbank employment-based retirement schemes frequently invest in equities listed on the Johannesburg Stock Exchange. Certain ESG ratings are considered to be listing requirements. By implication, the employment-based retirements schemes have some ESG ratings built in by default.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	Nedbank distinguishes between short- medium- and long-time-horizons aligned to internal frequencies in which risk-assessments are conducted. Risk-assessments for operational and financial planning are conducted more frequently than assessments related to strategic and capital planning. During each risk-assessment, climate-related impacts are considered. Due to the nature of climate change, different types of risks can be identified which need to be addressed using suitable timeframes that are not similar to all risks presented by climate change. Short-term is seen as imminent.
Medium-term	6	10	This timeline is somewhat longer, but relatively short compared to other industries.
Long-term	11	20	This time horizon is more speculative. The long-time frame involves the goal to reduce all scope 1, 2, 3 emissions and put measures in place enabling adaptation to higher temperatures and more frequent natural disasters.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Nedbank defines 'substantive financial or strategic impact' within the context of climate-related risks as the potential consequences that may arise from the bank's exposure to scenarios that exceed the goals set by the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. Specifically, this includes scenarios where the global average surface temperature rise surpasses the desired threshold of well below 2 ˚C compared to pre-industrial levels.

As outlined in Nedbank's Taskforce on Climate-related Financial Disclosure (TCFD) report, a substantive impact on the bank's business could be manifested in scenarios such as the International Energy Agency's projected temperature increase of 2.7ºC to 3.2ºC, which exceeds the limits defined by the stated policy frameworks and the bank's own energy policy intentions. Such a detrimental temperature increase is considered a 'substantive financial' impact with significant strategic implications.

Nedbank's approach to climate change aligns with its Sustainable Development Framework, guided by the United Nations Sustainable Development Goals (SDGs). The bank recognizes that addressing climate change is essential for achieving socioeconomic development imperatives. By integrating the SDGs into its business strategy, Nedbank acknowledges that the pursuit of sustainable development and addressing climate change are interconnected. The bank recognizes that climate change poses risks to both financial performance and long-term strategic objectives.

Therefore, when identifying or assessing climate-related risks, Nedbank considers the potential for significant financial implications and strategic consequences. This includes evaluating the bank's exposure to scenarios that exceed the desired temperature targets set by international agreements. By monitoring and analysing these risks, Nedbank aims to proactively manage and mitigate their potential impact on its business activities and financial performance.

A description of the quantifiable indicator(s) used to define substantive financial or strategic impact:

The following indicators provide measurable targets and data points that allow stakeholders to assess the financial and strategic impact of Nedbank's actions and commitments in addressing climate-related risks and supporting sustainable development:

Financial Exposure Assessment: Nedbank assesses its lending activities, investment practices, and own operations in terms of climate-related risks and opportunities. This assessment provides a clear understanding of the financial exposure associated with climate-related factors. Our[SV1] risk appetite metrics include a trading value at risk (VaR) target of less than R260 million over a three-day period, with a stress trigger target of less than R2,500 million during periods of extreme volatility and an equity investment risk profile target of less than R28,470 million. In our insurance portfolio, our risk metric is to have a regulatory view of capital adequacy greater than 1.5. Regarding gross operational risk losses to gross operating income (GOI) our target is less than 1.75%, and less than 0.60% for net operational risk losses to GOI. Risks that impact our business beyond these target thresholds, are considered substantive.

Scope 3 Financed Carbon Emissions: Nedbank recognizes the importance of measuring and disclosing its impact beyond direct emissions. The bank considers scope 3 emissions, which encompass indirect emissions associated with its lending and investment activities. This indicator helps evaluate the extent of the bank's financing of carbon-intensive activities.

Transition Financing: Nedbank has committed to financing the transition to renewable and embedded energy solutions. The bank sets targets for financing projects in the renewable energy sector, such as the South African renewable energy independent power producer program. These targets provide a quantifiable measure of Nedbank's support for sustainable energy projects.

Emissions Reduction Targets: Nedbank has set ambitious emissions reduction targets aligned with the goals of the Paris Agreement. The bank aims to achieve zero exposure to fossil fuel-related activities by 2045. These targets serve as quantifiable benchmarks to track progress and measure the success of Nedbank's decarbonization efforts.

TCFD Reporting: Nedbank adheres to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The bank discloses relevant climate-related information in its TCFD reports, which provide stakeholders with transparent and comprehensive insights into its climate risk management strategies and initiatives.

From Page 35 of the publicly published NEDBANK GROUP AND NEDBANK LIMITED – PILLAR 3 FOR THE YEAR ENDED 31 DECEMBER 2022 report.[SV1]

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Process for identifying, assessing and responding to climate-related risks and opportunities: Identifying Nedbank’s material matters is a groupwide responsibility and requires input from our businesses an assessment of the risks and opportunities in our operating environment, and input and feedback from our various stakeholders. We focus on identifying issues that have the potential to impact the sustainability of our earnings capital and return, and create, preserve or erode value for our stakeholders.

Nedbank identifies climate-related risks and opportunities through active participation in industry forums, collaborating with organizations like the IFC and WWF, monitoring regulatory changes, engaging with clients, and aligning its strategy with the UN SDGs. By staying informed about sustainable finance, climate research, and policy developments, Nedbank proactively identifies risks and opportunities. This allows them to develop products and services that help clients navigate climate challenges, reduce their carbon footprint, and transition to renewable energy. Ongoing monitoring of market trends and stakeholder feedback further enhances Nedbank's ability to identify and respond to climate-related risks and opportunities in their business operations.

Climate risk management is integrated into the bank's operations, lending, underwriting, and investment practices, leveraging existing governance and risk management processes, policies, and frameworks.

The bank has developed a comprehensive Climate Risk Management Framework (CRMF) that sets out principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks across the organization. This framework is implemented across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers.

Process used to determine which risks and opportunities could have a substantive financial or strategic impact on the organization:
The board and senior management consider the integration of material climate-related financial risks into Nedbank's business strategy and risk management frameworks. They evaluate the potential impacts of these risks and consider necessary changes to compensation policies to align with the bank's long-term interests.

Nedbank’s climate-related risk appetite is approved by the board and the risk appetite statements are guided by the group’s Risk Appetite Framework, which sets the principles for decision-making and risk-taking within the group. Nedbank has developed a qualitative and a quantitative risk appetite for climate-related risks, in line with the group’s ERMF. In line with the requirements of the BCBS 239 (risk data aggregation and risk reporting), a climate risk appetite dashboard (CRAD) has been we established. The purpose of the CRAD is to report on the monitoring and management of limits and targets as well as exposure to the climate-related risks that have been identified. The dashboard is reported to the respective governance forums throughout the year.

The compliance function plays a crucial role in monitoring the evolving regulatory landscape related to climate change risks and opportunities. Compliance ensures adherence to regulatory requirements, tracks developments, provides advisory support to the business, and participates in industry committees focused on climate risk and sustainable finance.

Climate-related risk standards guide the basic aspects that must be in place across all the facets of the operations across the enterprise. Climate-related data is acquired, created, stored, used, maintained, and retired in accordance with Nedbank data management governance standards, policies and frameworks.

How Nedbank makes decisions to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities:
The three lines of defence contribute to the execution of Nedbank's strategy and risk management as follows.

1LoD (First Line of Defence): Where Nedbank owns and manages risk within the respective business units. Identifies, assesses, controls, monitors, and reports climate-related risks consistently through the climate risk management processes. Implements responses identified through policies and processes.

2LoD (Second Line of Defence): Where Nedbank provides risk oversight, monitoring, and advisory functions. Client-facing clusters and compliance officers ensure the consistent application of policies and methodologies. Group risk and compliance functions monitor and assess risks across the bank, ensuring adherence to policies and escalating risks when necessary.

3LoD (Third Line of Defence): Where Nedbank provides independent assurance on the effectiveness of climate risk management across the bank. Ensures the integrity and effectiveness of risk management processes and controls.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation is included in Nedbank's risk assessment since several regulations, directly aimed at climate-related issues, are in place in South Africa. It is therefore essential that this risk type is assessed in detail, as part of the Enterprise Risk Management (ERM) process used to quantify the climate-related risk. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of ERM management, which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. Company specific examples of this risk type, considered in the assessment: One example is the current South African Vehicle Carbon Emission Tax, which results in a greenhouse gas tax on the purchase price of new vehicles. The impact of this transitional risk is that it can increase costs involved with renting cars. It can also increase costs along the supply-chain and as such impact projects in Nedbank's funding-portfolio. This current regulation is assessed, and the risk is quantified as part of the ERM process. Another example is the recent promulgation of several regulations, including the National Greenhouse Gas Emission Reporting Regulations and addendums. These regulations could imply compliance risk in terms of Nedbank's reporting requirements as well as compliance risks along the value-chain impacting on projects within Nedbank's portfolio.
Emerging regulation	Relevant, always included	Emerging regulation is included in Nedbank's risk assessment since regulations, directly aimed at climate-related issues, are emerging in South Africa and will potentially impact Nedbank's balance sheet. It is therefore essential that this risk type is assessed in detail, as part of the Enterprise Risk Management (ERM) process used to quantify the climate-related risk. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of ERM, which integrates risk, finance, and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. A company specific example of this transitional risk type considered in the assessment is the draft South African Climate Change Bill, which has not yet been passed into law as an act. The Climate Change Bill includes provision for carbon budgets. To do date, there is little clarity on the alignment of the carbon budgets framework and the South Africa Carbon Tax framework. which will result in a potentially increased tax liability for Nedbank and its clients. The increased tax liability lies in the fact that this emerging regulation, the draft Climate Change Bill, imposes a fee or super tax on each tCO2e that is emitted by above the carbon budget threshold. As part of Nedbank's ERM process, developments around this emerging regulation are assessed regularly including ongoing quantification of the associated risk upon the entering into force in 2019, with numerous addendums and clarifications thereafter.
Technology	Relevant, always included	Technology is included in Nedbank's risk assessment due to the potential of technology to assist in mitigating climate change related risks and can also assist in facilitating decarbonisation of activities and processes. Technology innovation is required to help the economy adjust to a low carbon emission system and overcome the transitional risks associated with climate change. Technologically innovative developments can contribute in lowering a business' carbon footprint and hence reduce regulation-related (transitional) risks. Technology can also reduce risk of discontinued operations through delivery of innovative solutions including improved infrastructure and accessibility of sites during extreme weather events, which are categorised as physical climate change risks. In addition, technology can help curb reputational risk because of negative publicity caused by e.g., non-compliance, etc. Therefore, it is essential to include this risk type in the Nedbank Enterprise Risk Management (ERM) process, as technology can indirectly reduce physical and transitional risks. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of ERM, which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. A company specific example of this risk type: Nedbank has committed to a net zero target by 2050, which pledges the bank to ensure that 100% of lending and investing supports a net-zero carbon economy. The fulfilment of this target therefore relies heavily on innovative technology applications within our investments and it is therefore crucial for Nedbank to keep abreast of technological developments and to ensure that technology risks are included and assessed correctly as part of the ERM process. For example, we continue to lend toward renewable energy, including the South African government's Renewable Energy Independent Power Producer Procurement Program (REIPPPP), aimed at boosting privately generated electricity, where the current exposure level sits at R27bn. This is one of the outcomes of including technology our ERM process, as a means to mitigating the risks of not meeting our net zero target.
Legal	Relevant, always included	Technology is included in Nedbank's risk assessment due to the potential of technology to assist in mitigating climate change related risks and can also assist in facilitating decarbonisation of activities and processes. Technology innovation is required to help the economy adjust to a low carbon emission system and overcome the transitional risks associated with climate change. Technologically innovative developments can contribute in lowering a business' carbon footprint and hence reduce regulation-related (transitional) risks. Technology can also reduce risk of discontinued operations through delivery of innovative solutions including improved infrastructure and accessibility of sites during extreme weather events, which are categorised as physical climate change risks. In addition, technology can help curb reputational risk because of negative publicity caused by e.g., non-compliance, etc. Therefore, it is essential to include this risk type in the Nedbank Enterprise Risk Management (ERM) process, as technology can indirectly reduce physical and transitional risks. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of ERM, which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. A company specific example of this risk type: Nedbank has committed to a net zero target by 2050, which pledges the bank to ensure that 100% of lending and investing supports a net-zero carbon economy. The fulfilment of this target therefore relies heavily on innovative technology applications within our investments and it is therefore crucial for Nedbank to keep abreast of technological developments and to ensure that technology risks are included and assessed correctly as part of the ERM process. For example, we continue to lend toward renewable energy, including the South African government's Renewable Energy Independent Power Producer Procurement Program (REIPPPP), aimed at boosting privately generated electricity, where the current exposure level sits at R27bn. This is one of the outcomes of including technology our ERM process, as a means to mitigating the risks of not meeting our net zero target.
Market	Relevant, always included	Market has been identified as a climate-related risk type and is included in Nedbank's risk assessment. This is important because Nedbank recognises that the transition to a low carbon economy is impacting the dynamics of supply and demand for certain commodities, products and services and has therefore potential to have an impact on the services and products provided by Nedbank. Hence it is essential that all market shifts in supply and demand for certain commodities, products, and services be assessed in detail as part of the enterprise-wide risk management (ERM) process as to quantify the climate-related risk for Nedbank. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of ERM, which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units so as to provide a company level assessment. A company specific example of this risk type being considered in the assessment: With the global transition towards a low carbon society, demand for commodities with large carbon footprints could be decreasing, resulting in transitional risks associated with Nedbank's investment portfolio. For example, the demand for steel produced in South Africa could reduce or face environmental pressure because South African steel comes with a high carbon footprint per tonne steel produced due to the South African thermal coal-based electricity grid. Globally customers are increasingly aware of the environmental footprints of products, and this forces suppliers to reduce the carbon footprint along the value-chain. Nedbank, being a full suite bank and offering products from the retail banking side to capital and investment banking, will feel this change inherently as a significant part of its historic project portfolio is established by high polluting operations, such as steel manufacturers, coal mines and coal fired power stations. Nedbank has progressively started to fund renewable energy projects to a greater extent than fossil fuel projects, to meet our 2050 net zero targets, whereby we aim to have 100% of lending and investing supporting a net-zero carbon economy.
Reputation	Relevant, always included	Nedbank was the first carbon neutral bank in Africa. It is essential that reputational risk, defined as all risks tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy be considered so that Nedbank can maintain its market position. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise-wide risk management (ERM), which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. Company specific example of a risk considered in the assessment: Nedbank was the first carbon neutral bank in Africa. It achieved this milestone in 2010 and has been able to maintain its carbon neutral status since then. Carbon neutral status is achieved by calculating the carbon footprint of the bank associated with our physical facilities, reducing it as much as possible and offsetting the remainder of the carbon footprint with offset credits. The carbon neutral status is also externally audited as part of the financial audit. Nedbank's reputation within the 'green' or sustainability field is well known. Hence it is crucial to manage all reputational risks as to ensure the "green" credibility of the bank including its carbon neutral status. All risks tied to changing customer or community perceptions of Nedbank's contribution to or detraction from the transition to a lower-carbon economy are carefully monitored as indicated with the carbon neutrality initiative.

	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	Nedbank is primarily based in South Africa, which is defined as a semi-arid country. The predominant acute physical risks include extreme whether events such as droughts, storms and flooding. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise-wide risk management (ERM), which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. Company specific example of a risk considered in the assessment: In the recent past, the Southern Cape experienced an acute drought, which implied that the ablution facilities within a Nedbank branch could only be used periodically. The upcoming El Nino cycle is expected to exacerbate the risks associated with extreme weather events. This illustrates the vulnerability and risk that Nedbank faces due to acute weather events and the result is that these types of acute events, like droughts, are considered as part of the ERM process within Nedbank. Moreover, along its value chain, projects funded by Nedbank could be forced to pause or cease operation because of the lack of this important resource (water). In turn this could potentially impact Nedbank's balance sheet directly. It is for these potentially substantive risks that Nedbank must include this type of risk in its risk assessment processes both at asset and at company-wide level.
Chronic physical	Relevant, always included	Nedbank is primarily based in South Africa, which is defined as a semi-arid country. The predominant acute physical risks include extreme whether events such as droughts, storms and flooding. How risks/opportunities are assessed at a company level: Nedbank Group follows a policy of enterprise-wide risk management (ERM), which integrates risk, finance and balance sheet management across the group's risk universe. This process integrates various legal entities and business units to provide a company level assessment. Company specific example of a risk considered in the assessment: In the recent past, the Southern Cape experienced an acute drought, which implied that the ablution facilities within a Nedbank branch could only be used periodically. The upcoming El Nino cycle is expected to exacerbate the risks associated with extreme weather events. This illustrates the vulnerability and risk that Nedbank faces due to acute weather events and the result is that these types of acute events, like droughts, are considered as part of the ERM process within Nedbank. Moreover, along its value chain, projects funded by Nedbank could be forced to pause or cease operation because of the lack of this important resource (water). In turn this could potentially impact Nedbank's balance sheet directly. It is for these potentially substantive risks that Nedbank must include this type of risk in its risk assessment processes both at asset and at company-wide level.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	Yes	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Stress tests Internal tools/methods	Nedbank implemented a specific process to assess its portfolio's exposure to climate-related risks and opportunities to ensure comprehensive risk management and alignment with global best practices. By adopting the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations, Nedbank can effectively measure, disclose, and assess its financial exposure to climate risks. This process enables the bank to track and manage its own operational, lending, and investment impact and make informed decisions based on emerging climate risk standards, guidelines, and principles. The advantages of this process include enhanced transparency and accountability, enabling Nedbank to effectively communicate its climate-related performance to stakeholders. It also facilitates better risk identification and management, ensuring proactive measures to mitigate climate risks and capitalize on opportunities. Nedbank defined the proportion of its portfolio covered by the risk management process based on the scope of its lending activities, investment practices, and operational impact. This assessment includes both systemic and sector risks by considering the broader financial risks associated with climate change, as well as risks specific to sectors affected by climate-related factors. By considering these aspects, Nedbank can comprehensively assess and address the climate-related risks and opportunities across its portfolio, thereby ensuring a more holistic and proactive approach to risk management.
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Stress tests Internal tools/methods	Nedbank has developed a comprehensive Climate Risk Management Framework (CRMF) incorporating the 3LoD Model (three lines of defence) that sets out principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks across the organization. This framework is implemented across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers. Nedbank continues to assess and looks to quantify material climate-related financial risks and, over relevant time horizons, incorporates them into the internal capital and liquidity adequacy assessment processes, including stress testing programmes.
Investing (Asset owner)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Stress tests Internal tools/methods	Nedbank has developed a comprehensive Climate Risk Management Framework (CRMF) incorporating the 3LoD Model (three lines of defence) that sets out principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks across the organization. This framework is implemented across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers. Nedbank continues to assess and looks to quantify material climate-related financial risks and, over relevant time horizons, incorporates them into the internal capital and liquidity adequacy assessment processes, including stress testing programmes.
Insurance underwriting (Insurance company)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Stress tests Internal tools/methods	Nedbank has developed a comprehensive Climate Risk Management Framework (CRMF) incorporating the 3LoD Model (three lines of defence) that sets out principles for identifying, assessing, managing, monitoring, and reporting on climate-related risks across the organization. This framework is implemented across all geographic regions, subsidiaries, clients, investments, transactions, and third-party vendors and suppliers. Nedbank continues to assess and looks to quantify material climate-related financial risks and, over relevant time horizons, incorporates them into the internal capital and liquidity adequacy assessment processes, including stress testing programmes.

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>
Insurance underwriting (Insurance company)	Yes	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Banking (Bank)

Type of climate-related information considered
Emissions data
Climate transition plans

Process through which information is obtained
Directly from the client/investee

Industry sector(s) covered by due diligence and/or risk assessment process
Energy

State how this climate-related information influences your decision-making
Nedbank conducts enhanced due diligence and risk assessments involving climate-related information for all clients, considering their relevance to the bank's Energy Policy. The clients that are considered relevant are those involved in power generation, specifically in relation to coal-fired power stations, oil-fired power generation, and gas-fired power generation.

Example of a climate-related decision made by the individual/committee within the last two years: Nedbank has committed to not provide financing for new projects in the areas listed above, as outlined in its Energy Policy. The enhanced due diligence and risk assessments ensure that Nedbank assesses the environmental impact of these clients and aligns with its commitment to transitioning away from fossil fuels.

Nedbank uses the climate-related information it considers in its due diligence and risk assessment processes to inform its financing decisions. The information helps Nedbank ensure adherence to its Energy Policy, which guides the bank's transition away from fossil fuels and supports sustainable energy solutions. By considering the environmental impact of clients involved in power generation, Nedbank aligns its financing decisions with its commitment to climate change mitigation and the goals of the Paris Agreement. The information influences the outcomes of the due diligence and risk assessment processes by guiding the bank's decisions on whether to provide financing for projects in the specified power generation sectors.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Nedbank has positioned itself as a 'green' or sustainable bank by means of various long-term initiatives, carbon neutrality status obtained in 2010 through carbon offsets and maintaining this status year-on-year since then. As a result, Nedbank attracts a client-segment that is conscious in terms of the environment and sustainability.

Nedbank is however, for example, exposed to fossil fuels, particularly upstream oil and gas. In addition, the boundary of Nedbank’s carbon neutrality statement does not include Scope 3 emissions related to downstream investments. This could potentially pose reputational risk to the organisation in the short term. Nedbank is however committed to quantifying these emissions and the exposure associated with downstream Scope 3 emissions.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2850000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
A severe negative reputational impact could significantly impact Nedbank’s revenue without decreasing any expenses. Nedbank's net income during the last reporting year was approximately R57 billion. Severe negative backlash from the customer base could result, in accordance with estimates, in as much as a 5% loss of net income or as much as R2.85 billion.

Cost of response to risk
0

Description of response and explanation of cost calculation
Implemented policies and guidelines specifically related to thermal-coal-credit-standards reflect our commitment to limiting coal-related financing by 2030. Accordingly, we reduced our thermal coal exposure by 20% between 2021 and 2022.

Nedbank is responding to the reputational risk associated with the financing of fossil fuel activities through:
· Responsible investment practices: by integrating ESG factors into our investment decision-making process we can assess the sustainability and climate risks of potential investments and consider the long-term impacts on reputation and stakeholder trust. The Nedbank Wealth cluster, including Nedgroup Investments, became a signatory to the UN PRI in 2022 to further drive responsible investment.
· Engagement and influence: Nedbank leverages its position as a key financial institution to engage with fossil-fuel related businesses and influence their transition towards more sustainable practices. Through active dialogue and collaboration, Nedbank encourages adoption of cleaner technologies, improvement of environmental performance, and reduction of carbon emissions.
· Stakeholder engagement: Nedbank actively engages with stakeholders, including customers, shareholders, employees, and the broader community, to understand expectations and concerns regarding fossil-fuel related investments. By maintaining open lines of communication, we can address concerns, align strategies with stakeholders, and minimize reputation risks related to investment and funding activities. Nedbank plans to have a have zero exposure to fossil fuel-related activities by 2045. Fossil fuels considered in this instance include thermal coal, oil and gas.

Costs involved with the management of this risk are based on the hours involved by Nedbank’s entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment
This is an indicative estimate of a potential impact.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Banking portfolio

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
Nedbank operates as a credit provider to the agricultural sector. Most current climate change models agree that the western part of South Africa will progressively get dryer. This poses an indirect risk to Nedbank but a direct risk to its customers. The adverse impact of receiving less rain and precipitation on agricultural businesses and endeavors could reduce crop yields and feedstocks. This could lead to financial challenges for farmers and agribusinesses, potentially impacting their ability to repay loans and increase the risk of default or non-performing loans in Nedbank's agricultural loan portfolio.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
182000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The agriculture sector is a major contributor to the South African economy, accounting for 2.5% of GDP. The sector is highly vulnerable to climate change, with drought, floods, and other extreme weather events causing significant damage to crops and livestock. A survey conducted by AgriSA in 2018, following a very severe drought in South Africa, found that the loss to the sector was about R7 billion in turnover. Nedbank is exposed to about 20% of this market and if it did not obtain an estimated 13% return on this market segment then the loss to the bank could amount to R182 million.

Cost of response to risk
0

Description of response and explanation of cost calculation
Risk diversification: Nedbank operates as a credit and advisory provider to the agricultural sector, it also maintains a diversified loan portfolio across multiple sectors and industries. This diversification strategy helps mitigate concentration risk and reduces the impact of climate-related challenges specific to the agricultural sector.

Robust risk assessment: Nedbank conducts thorough risk assessments to evaluate the vulnerability of its agricultural clients to climate-related funding risks. This assessment helps the bank identify clients who may be more susceptible to the adverse effects of climate change and adjust lending terms accordingly.

Tailored financing solutions: Nedbank develops tailored financing solutions for agricultural clients, considering the specific climate-related risks they may face. This may involve providing flexible repayment options, refinancing options, or financial support for resilience-building measures to help mitigate climate-related risks.

Ongoing monitoring and support: Nedbank maintains active monitoring of its agricultural loan portfolio, regularly assessing the financial health and performance of its clients. The bank accordingly proactively identifies potential financial challenges related to climate change and works with clients to address them.

Collaboration and knowledge sharing: Nedbank engages in collaborations and partnerships with industry stakeholders, experts, and regulatory bodies to stay informed about emerging climate change risks and mitigation strategies.

Scenario analysis and stress testing: Nedbank conducts scenario analysis and stress testing exercises to assess the potential impact of different climate change scenarios on its loan portfolio and overall financial resilience. Nedbank accordingly identifies potential vulnerabilities, develops appropriate risk mitigation strategies, and enhances its overall resilience to funding risks.

Costs involved with the management of this risk are based on the hours involved by Nedbank’s entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment
This is an indicative estimate of a potential impact.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Insurance underwriting portfolio

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification
Insurance risk

Company-specific description
A potential risk in Nedbank's Insurance Underwriting business is the increasing frequency and severity of climate-related events such as natural disasters and extreme weather events. These events can result in a higher number of insurance claims and increased pay-outs, leading to financial losses for the company. Additionally, climate change may also impact the insurability of certain risks, making it more challenging to underwrite policies in vulnerable regions.

Climate-related disaster events are expected to increase in frequency across the world. For example, the KwaZulu-Natal floods in 2022, the reporting year, were categorised as a catastrophic event which had disastrous consequences on many livelihoods. Nedbank’s non-interest revenue was impacted by accounting for estimated insurance claims (net of re-insurance) relating to these floods. This demonstrates that such events have the potential to increase insurance claim liabilities.

Accordingly, there is rising concern across the insurance industry, both locally and internationally, that weather catastrophes will impact the sustainability of insurance businesses. As a purpose-led organization, Nedbank is acutely aware of our central role, alongside that of other financial industry companies and government, in driving sustainable socioeconomic development for the benefit of all stakeholders.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The impact has not yet been quantified financially. Nedbank will report on these in due course.

Cost of response to risk
0

Description of response and explanation of cost calculation
Nedbank has embedded the Climate Risk Management Framework across the group. This framework provides guidelines and strategies for effectively managing and mitigating climate-related risks within the business.

The company is focused on evolving its climate risk appetite setting. This involves regularly reassessing and adjusting the level of risk that Nedbank is willing to accept in relation to climate-related events, ensuring it aligns with its overall risk management objectives.

Nedbank is committed to continuously monitoring its Climate Risk Plan through various governance structures. This ensures that the plan is effectively implemented, and progress is monitored to ensure the delivery of desired outcomes and deliverables.

Nedbank will continue to develop and offer sustainable products and services to its clients, specifically tailored to assist them in managing climate transition risks. By providing these specialized offerings, Nedbank aims to support its clients in adapting to the challenges and opportunities associated with climate change.

Costs involved with the management of this risk are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated hours are not tracked and therefore this cost is reported as 0.

Comment
This is an indicative estimate of our response to this risk.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Market	Inability to attract co-financiers and/or investors due to uncertain risks related to the climate

Primary potential financial impact
Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification
Market risk

Company-specific description
Nedbank is responsible for managing a substantial amount of investments on behalf of policyholders, shareholders, and third-party clients. We recognise that some assets are exposed to climate change risks which may be either physical or transitional in nature. Transitional risks are becoming increasingly prevalent as the world transitions towards a low-carbon economy. As an asset manager, Nedbank may face challenges related to shifts in regulations, carbon pricing, changes in consumer preferences, advancements in clean technologies, and evolving market dynamics. These transition risks can impact the value and performance of investments, particularly in carbon-intensive industries. Ultimately, the driver of such risks includes the inability to attract co-financiers and /or investors due to uncertain risks related to climate change.

The impacts of these risks encompass the possibility of holding stranded assets, which may result in unexpected write-downs, devaluations, or liabilities due to climate change, resource depletion, climate regulations, shifts in consumer behaviour, and litigation. Climate-related factors can introduce additional volatility into financial markets. Changes in regulations, public sentiment, or physical impacts of climate change can lead to sudden shifts in market dynamics, asset prices, and investor behaviour. This volatility can impact the overall performance of investment portfolios and increase market uncertainty. Nedbank recognises that failure to incorporate climate-related factors in investment strategies may result in the loss of clients, reduced demand for products, or missed investment opportunities.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank is in the process of investigating and quantifying the climate risks associated with the assets under management in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalised.

Cost of response to risk
0

Description of response and explanation of cost calculation
Risk diversification: Nedbank operates as an asset manager by maintaining a diversified asset portfolio across multiple sectors and industries. This diversification strategy helps mitigate concentration risk and reduces the impact of climate-related challenges.

Robust risk assessment: Nedbank conducts thorough risk assessments to evaluate the vulnerability of its assets to climate-related funding risks. This assessment helps the bank identify assets that may be more susceptible to the adverse effects of climate change and adjust terms accordingly.

Ongoing monitoring and support: Nedbank maintains active monitoring of asset portfolios, regularly assessing their financial health and performance. The bank accordingly proactively identifies potential financial challenges related to climate change and works with investees to address them.

Collaboration and knowledge sharing: Nedbank engages in collaborations and partnerships with industry stakeholders, experts, and regulatory bodies to stay informed about emerging climate change risks and mitigation strategies.

Scenario analysis and stress testing: Nedbank conducts scenario analysis and stress testing exercises to assess the potential impact of different climate change scenarios on its asset portfolios and overall financial resilience. Nedbank accordingly identifies potential vulnerabilities, develops appropriate risk mitigation strategies, and enhances its overall resilience to funding risks.

Costs involved with the management of this risk are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Investing (Asset owner) portfolio

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Nedbank incorporates ESG risk assessment into our investment policy statement. The approach of asset owners to climate change can shape our relationships with stakeholders, including investors, clients, and communities. Stakeholders increasingly expect asset owners to tackle climate-related risks, demonstrate sustainable practices, and provide relevant disclosures. Failure to meet these expectations can lead to reputational harm and loss of trust. Nedbank is obligated to effectively address the challenges posed by climate change. Insufficient response to this challenge would significantly impact our reputation and brand. Difficulties in meeting customer preferences could result in a decline in revenues due to reduced demand for products and services.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank is in the process of investigating and quantifying the climate risks associated with the assets under ownership in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalised.

Cost of response to risk
0

Description of response and explanation of cost calculation
Risk diversification: Nedbank operates as an asset owner by maintaining a diversified asset portfolio across multiple sectors and industries. This diversification strategy helps mitigate concentration risk and reduces the impact of climate-related challenges.

Robust risk assessment: Nedbank conducts thorough risk assessments to evaluate the vulnerability of its assets to climate-related funding risks. This assessment helps the bank identify assets that may be more susceptible to the adverse effects of climate change and adjust terms accordingly.

Ongoing monitoring and support: Nedbank maintains active monitoring of asset portfolios, regularly assessing their financial health and performance. The bank accordingly proactively identifies potential financial challenges related to climate change and works with investees to address them.

Collaboration and knowledge sharing: Nedbank engages in collaborations and partnerships with industry stakeholders, experts, and regulatory bodies to stay informed about emerging climate change risks and mitigation strategies.

Scenario analysis and stress testing: Nedbank conducts scenario analysis and stress testing exercises to assess the potential impact of different climate change scenarios on its asset portfolios and overall financial resilience. Nedbank accordingly identifies potential vulnerabilities, develops appropriate risk mitigation strategies, and enhances its overall resilience to funding risks.

Costs involved with the management of this risk are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
The development of new revenue streams from new/emerging environmental markets and products

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
It is expected that the demand for lower emissions products and services will increase as a result increased pressures and demands for South Africa to decarbonize its economy.
South Africa's Just Energy Transition requires the country to add approximately 7 GW of renewable energy every year to 2030, which is more than the total constructed over the past 10 years, where 6,3 GW were built in the large-scale Renewable Energy IPP Procurement Programme (REIPPPP) rounds 1 to 4.
Nedbank, through its investment bank, is a leading funder of renewable energy in South Africa. We identified the opportunity to participate in the REIPPPP in its early stages and have grown our book successfully through all the rounds to date. Nedbank had funded 3 517 MW across 42 projects.
In addition, we provide finance for private power generation for medium scale enterprises as well as small businesses and individuals. These installations include embedded energy generation and wheeling by commercial and industrial businesses, as well as small businesses and residences.
Many of these installations have faced financial barriers in the past, which is why Nedbank has developed two solutions for residential applications, in partnership with MFC (a division of Nedbank), to make them more accessible. The fist, MFC asset finance, allows individuals as well as small businesses to apply for finance for a solar installation at their home or premises. This asset finance option was launched in the second half of 2022 and by the end of the year, 56 funding deals. The second solution is finance via a Nedbank Home Loan.
Nedbank sees significant growth in these new opportunities as economies transition towards a low-carbon future and is well positioned to take advantage of these new growth opportunities. We continue to advance our climate change strategy, looking for opportunities to reduce the emissions associated with our financing activity and helping our clients along their climate change journeys.
The development of these products provides for new revenue streams from new/emerging environmental markets and products, resulting in increased revenues.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
27000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank's current exposure to developing opportunities within the renewable energy space is R27 billion, largely related to participation in the REIPPPP and other private sector programmes.
Nedbank's REIPPPP exposure is currently just under R26bn.
Nedbank's private power generation amounted to exposures of over R1,2bn in 2022.
Some of the private power embedded-energy highlights for the year under review included the following:
· Energy Partners Group — Nedbank provided debt finance for over 70 projects with a capital value of over R600m, which includes solar, refrigeration, steam, and lighting assets.
· Tronox — Nedbank acted as joint mandated lead arranger of R3bn in debt funding for two 100 MW solar PV projects.
· SOLA Group — Nedbank is the only lender to SA's first wheeling project, the Adams 10 MW solar PV facility, to sell power to Amazon Web Services.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Nedbank has aligned its long-term goals with the UN Sustainable Development Goals (SDGs) to differentiate its business products and services by shaping a thriving macro environment for the better and maximise opportunities presented by changing market preferences for clean power sources.
Result of actions and timescale of implementation: for example, Nedbank has accordingly delivered a meaningful impact to SDG 7 (affordable and clean energy) by enabling an additional ~3 500 MW of renewable energy capacity to be added to the national grid through our participation in the South Africa REIPPPP, which was initiated

in 2011. The procurement programme is ongoing, and our position as a leading impact financier can be leveraged to drive greater sustainable outcomes in future.
Costs involved with the management of this opportunity are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment
This is an indicative estimate of a potential opportunity.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Nedbank believes that a clear reputational and brand equity opportunity exists by addressing climate change issues proactively. Proactive climate change action will translate into increased shareholder value as proactive climate action will enable effective management of climate-related risks. Demonstrated and effective risk management is a well-established criterion that investors require before investing.
Nedbank has realised the reputation of being a thought leader in the climate change and sustainability space. An example of this is the fact that Nedbank was the first carbon neutral bank in Africa. This reputation is widespread among businesses within South Africa's geographic boundaries and through its cross-border products and service offerings expanding to all geographical locations where Nedbank has a presence.
Nedbank accordingly prioritises investing in and providing loans to develop environmentally friendly and sustainable buildings that enhance residents' quality of life while reducing negative impacts on the environment such as carbon emissions. We evaluate properties based on their green certifications (such as EDGE and Green Star) and the presence of sustainable features like solar PV, wind or hydro power, rain-harvesting, and black- and grey-water systems, among others.
By having exposure to such properties, Nedbank demonstrates its commitment to sustainability and environmentally responsible practices. It signifies that the bank is actively supporting projects that align with its values and the broader goal of promoting a greener and more sustainable future.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
25000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank currently has R25bn of exposure to green-certified properties and those containing sustainable features.
In the reporting year, Nedbank structured and arranged the R1,09bn Green Residential Development Bond in 2021, which was issued as part of its domestic medium-term note programme and listed on the JSE's Sustainability Segment on 10 December 2021. In 2022, we approved R513m debt funding under this bond to support the development of 964 (2021:1 755) EDGE-certified residential units.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
The financing of green buildings is part of Nedbank's long term sustainability strategy, which aims to enhance our own climate resilience by continually improving resource efficiency, energy, water, and waste management through our green-building initiatives.
Result of actions and timescale of implementation: we have become a leader in the financing of green buildings in South Africa, where 19 Nedbank-owned buildings have been awarded Green Star ratings. This programme is ongoing.
Costs involved with the management of this opportunity are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment
This is an indicative estimate of a potential opportunity.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Banking portfolio

Opportunity type
Resilience

Primary climate-related opportunity driver
New products and services related to ensuring resiliency

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
The changing precipitation patterns in South Africa is concerning for the agricultural sector, but it also affords new opportunities. Adapting to changing mean precipitation patterns could lead to financing opportunities that did not exist previously.
A significant segment of Nedbank's client-base deals with agricultural activities. Although changing weather patterns and reduced precipitation levels in the Western Cape are a great risk to the sector, for Nedbank the opportunity resides in facilitating its clients to research and develop new crops that are resilient to periods of drought. At the same time Nedbank can facilitate established food-producers such as vineyards to explore new locations where the conditions for growing of produce is for example, more favourable.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
42000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Changing weather patterns in South Africa have resulted in a shift of agricultural activities to regions that were previously considered to be unattractive but are now sought after due to improved temperature conditions. For example, new vineyards are being established in previously unfavorable locations. The South African wine industry contributes approximately R14 billion per annum to the Western Cape Province. The scale of the opportunity for Nedbank and the direction is estimated to be a 30% market share. A 1% profit on that market share would entail a potential profit for Nedbank of R42 million.

Cost to realize opportunity
320000

Strategy to realize opportunity and explanation of cost calculation
Opportunities are managed through an integrated sustainability management approach. Specific opportunities relating to the development of new products and services, driven by potential changes in physical climate parameters, are coordinated by a dedicated Sustainability Team. This team is tasked with cascading the policies, procedures and sustainability considerations into all areas and activities of the group. The members of this Sustainability Team sit on many other Nedbank committees, which ensures that sustainability issues are considered and integrated in the decisions these committees make. The sustainability team is being overseen by the Group Executive Committee and is supported by the Strategy and Sustainability departments. The responsibility for development of the products and services lies with the relevant business cluster and progress against such is monitored by way of performance scorecard measures. An example of maximizing a potential opportunity is that changing weather-patterns may affect the grape growers in the Western Cape and in the rest of South Africa. This will in turn affect the wine industry, as grapes are the primary input. It is possible that different vintages could be grown in the future, resulting in exciting new wine offerings for the domestic and international market. Nedbank's agricultural business department can then potentially benefit from financing nonconventional endeavors in this space. The development of opportunities based on changes in weather-patterns mainly falls within existing business structures so most of the costs are absorbed already. It is estimated that these costs were approximately R320 000. These opportunities are being implemented.

Comment
This is an indicative estimate of a potential opportunity.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Investing (Asset owner) portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased access to capital

Company-specific description
Nedbank recognizes the significant global risk posed by climate change, which has the potential to impact society and its clients. However, we also see opportunities within this changing landscape. One notable opportunity for resides in financing a just transition, where ESG investments actively reduce carbon emissions and improve social outcomes. As an asset manager, Nedbank believes that proactive investment can drive transformative change. The provision of funds that invest in companies that have positive environmental and climate credentials is therefore a substantive climate-related opportunity for Nedbank. The primary financial impact of these funds is increased access to capital, for the development of largescale climate mitigation and adaptation infrastructure projects.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank is in the process of investigating and quantifying the climate opportunities associated with the assets under ownership in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalized.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Opportunities are managed through an integrated sustainability management approach. Specific opportunities relating to the development of new products and services, driven by potential changes in physical climate parameters, are coordinated by a dedicated Sustainability Team. This team is tasked with cascading the policies, procedures and sustainability considerations into all areas and activities of the group. The members of this Sustainability Team sit on many other Nedbank committees, which ensures that sustainability issues are considered and integrated in the decisions these committees make. The sustainability team is being overseen by the Group Executive Committee and is supported by the Strategy and Sustainability departments. The responsibility for development of the products and services lies with the relevant business cluster and progress against such is monitored by way of performance scorecard measures.
Costs involved with the management of this opportunity are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment

Identifier
Opp5

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased access to capital

Company-specific description
Nedbank recognizes the significant global risk posed by climate change, which has the potential to impact society and its clients. However, we also see opportunities within this changing landscape. One notable opportunity for lies in financing a just transition, where ESG investments actively reduce carbon emissions and improve social outcomes. As an asset manager, Nedbank believes that proactive investment can drive transformative change. The provision of funds that invest in companies that have positive environmental and climate credentials is therefore a substantive climate-related opportunity for Nedbank. The primary financial impact of these funds is increased access to capital, for the development of largescale climate mitigation and adaptation infrastructure projects.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank is in the process of investigating and quantifying the climate opportunities associated with the owned assets in the business. We will be able to report a potential financial impact figure, or range, once these investigations are finalized.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Opportunities are managed through an integrated sustainability management approach. Specific opportunities relating to the development of new products and services, driven by potential changes in physical climate parameters, are coordinated by a dedicated Sustainability Team. This team is tasked with cascading the policies, procedures and sustainability considerations into all areas and activities of the group. The members of this Sustainability Team sit on many other Nedbank committees, which ensures that sustainability issues are considered and integrated in the decisions these committees make. The sustainability team is being overseen by the Group Executive Committee and is supported by the Strategy and Sustainability departments. The responsibility for development of the products and services lies with the relevant business cluster and progress against such is monitored by way of performance scorecard measures.
Costs involved with the management of this opportunity are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The

estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment

Identifier
Opp6

Where in the value chain does the opportunity occur?
Insurance underwriting portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Nedbank generates revenue through our insurance activities and investments. Our comprehensive range of policies includes coverage for crop losses and catastrophe events. Our primary objective is to mitigate risk and safeguard our clients' financial well-being, ensuring that insured losses are covered by investment premiums.
Over the years, the demand for crop insurance has grown significantly. Increasingly, the agricultural sector is facing adverse impacts, including reduced crop yields and feedstocks, due to water scarcity caused by climate change. This could lead to financial hardships for farmers and agribusinesses, creating a greater need for crop insurance coverage. We are committed to supporting our customers in navigating these challenges and providing them with the necessary protection for their crops and livelihoods.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Nedbank is in the process of investigating and quantifying the climate opportunities associated with the development of climate adaptation, resilience and insurance risk solutions. We will be able to report a potential financial impact figure, or range, once these investigations are finalised.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Opportunities are managed through an integrated sustainability management approach. Specific opportunities relating to the development of new products and services, driven by potential changes in physical climate parameters, are coordinated by a dedicated Sustainability Team. This team is tasked with cascading the policies, procedures and sustainability considerations into all areas and activities of the group. The members of this Sustainability Team sit on many other Nedbank committees, which ensures that sustainability issues are considered and integrated in the decisions these committees make. The sustainability team is being overseen by the Group Executive Committee and is supported by the Strategy and Sustainability departments. The responsibility for development of the products and services lies with the relevant business cluster and progress against such is monitored by way of performance scorecard measures.
Costs involved with the management of this opportunity are based on the hours involved by Nedbank's entities tasked to perform the responses mentioned above. The estimated number of hours are not tracked and therefore this cost is reported as 0.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

Description of feedback mechanism
Nedbank collects feedback from shareholders on its climate transition plans through various channels and mechanisms.
Annual General Meeting (AGM): The AGM serves as a key platform for shareholders to provide feedback on Nedbank's climate transition plans. During these meetings, Nedbank presents its strategy and progress, allowing shareholders to ask questions, express their concerns, and provide feedback directly to the bank's management and board of directors.
Shareholder Engagement Sessions: Nedbank conducts dedicated shareholder engagement sessions and roadshows focused on climate-related matters. These sessions provide an opportunity for shareholders to actively participate in discussions, share their perspectives, and provide feedback on the bank's climate transition plans.
Sustainability Reports and Disclosures: Nedbank regularly publishes sustainability reports and disclosures that detail its climate strategy, targets, and performance. These documents serve as a valuable source of information for shareholders to review Nedbank's approach to climate transition. Shareholders can provide feedback through formal channels, such as email or online portals established by the bank for stakeholder engagement.
Collaborative Initiatives and Partnerships: Nedbank actively participates in collaborative initiatives and partnerships related to climate change and sustainable finance. For example, Nedbank engages with organizations like the Carbon Disclosure Project (CDP) and the United Nations Environment Programme Finance Initiative (UNEP FI). Through these engagements, shareholders can contribute their feedback and perspectives on Nedbank's climate transition plans in alignment with industry standards and best practices.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
Please find the attached 2022 Nedbank Group Climate Report.
2022 Nedbank Group Climate Report_.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios: Customized publicly available physical scenario	Portfolio	1.5ºC	Nedbank's process to incorporate climate risk scenario analysis into the bank-wide stress testing and scenario framework has continued to evolve during 2022. We conducted climate scenario analysis to assess both transition risk and physical risk associated with climate change. The analysis focused on understanding the impact of transitioning to a low-carbon economy and the potential physical risks on the bank's portfolio. Transition Risk: Nedbank used the PACTA model developed to assess alignment with Paris Agreement goals. This model helped identify climate-sensitive sectors and assess their alignment with the transition to a low-carbon economy. The bank also conducted a transition risk stress test on its fossil fuel segments. The stress test followed a top-down approach using proprietary and publicly available information, specific assumptions, and parameters. The capital impact on Nedbank and its peers was measured using a metric called CRISK, which quantifies the expected capital shortfall in a climate stress scenario. The analysis of CRISK values indicated that the risk of stranded assets increased during the period of declining oil and energy prices caused by the Covid-19 lockdown. The stress test results highlighted the potential impact of an abrupt transition event on banks, including compounding losses from stranded assets. However, Nedbank's capital management practices were deemed robust enough to absorb any additional losses identified in the stress test. All capital ratios remained within risk appetite and met the minimum capital adequacy requirements. Physical Risk: Nedbank assessed physical climate risks on its residential mortgage portfolio, specifically focusing on floods, wildfires, and subsidence risk. The analysis involved geospatial data, climate data from external service providers, and internal insurance claims data. Each property in the portfolio was assigned a risk rating based on climate risk metrics and historical claims behaviour. The analysis provided insights into the exposure of the portfolio to physical climate risk events. The climate analysis conducted on the residential mortgage portfolio enhanced Nedbank's understanding of its exposure to physical climate risks. The results inform risk management decisions, property evaluation, underwriting decisions, and support the bank's efforts in financing mitigation efforts.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The focal question that Nedbank sought to address through its scenario analysis was: "How much risk does a transition to a low-carbon economy pose to the bank?"

Results of the climate-related scenario analysis with respect to the focal questions

The conducted scenario analysis provided Nedbank with valuable insights into the impact of climate transition risk on its capital and overall business performance. The analysis revealed that an abrupt transition to a low-carbon economy could pose risks to the bank, particularly in terms of stranded assets and potential losses. However, the analysis also indicated that Nedbank had robust capital management in place to absorb any additional losses highlighted in the stress test. All the capital ratios of Nedbank remained within risk appetite and continued to meet the minimum capital adequacy requirements.

How the results have informed at least one decision or action in relation to the focal questions, including associated timelines:
The results of the scenario analyses have informed a strategic response by Nedbank to climate risk. For example, the analyses helped identify climate-sensitive sectors and assess their alignment with the transition to a low-carbon economy. The bank also conducted a transition risk stress test on its fossil fuel segments. The stress test followed a top-down approach using proprietary and publicly available information, specific assumptions, and parameters. The capital impact on Nedbank and its peers was measured using a metric called CRISK, which quantifies the expected capital shortfall in a climate stress scenario. The analysis of CRISK values indicated that the risk of stranded assets increased during the period of declining oil and energy prices caused by the Covid-19 lockdown. The stress test results highlighted the potential impact of an abrupt transition event on banks, including compounding losses from stranded assets. However, Nedbank's capital management practices were deemed robust enough to absorb any additional losses identified in the stress test. All capital ratios remained within risk appetite and met the minimum capital adequacy requirements.
By deepening our understanding of climate risk and incorporating it into our risk management framework, Nedbank aims to prepare for potential impacts on credit risk, market risk, and financial asset values. The analysis highlighted the importance of considering climate risk in financing decisions, particularly for portfolios such as fossil fuels. The results informed ongoing efforts by Nedbank to refine our climate risk assessments and align its business strategy with the goal of transitioning to a net-zero carbon economy. The analysis will continue to guide Nedbank's decision-making processes and risk management approach in the future.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Awareness: Nedbank recognizes its climate impact through its products and services and has a clear rationale for addressing climate-related risks and opportunities in this area. The strategic focus is set out in various disclosures, reflecting the bank's commitment to aligning its strategy with national obligations under the Paris Agreement and supporting the transition to a low-carbon economy. Management: Nedbank's strategy in this area has been influenced by climate-related risks and opportunities. The bank has adopted the Financing Policy on Thermal-Coal-Related Activities, which sets limits on financing for coal-related activities. This policy aligns with the bank's commitment to transitioning away from fossil fuels and supporting sustainable energy solutions. Case study: The most substantial strategic decision in this area to date is the implementation of the Financing Policy on Thermal-Coal-Related Activities. This decision reflects Nedbank's rationale to reduce its exposure to thermal coal-related activities, contribute to climate change mitigation, and align its financing practices with global climate goals. Accordingly, during 2022 Nedbank has arranged R8,5bn of lending that is aligned with new opportunities of tilting our book away from fossil fuel lending.
Supply chain and/or value chain	Yes	Awareness: Nedbank acknowledges its climate impact through its supply chain and value chain and has a clear rationale for considering climate-related risks and opportunities in this area. The operational impact, as well as the impact of the supply chain, is discussed in various disclosures, reflecting the bank's commitment to sustainability and responsible procurement. Management: Nedbank's strategy in this area has been influenced by climate-related risks and opportunities. The bank has implemented initiatives to source sequentially less pollutant services and products, such as rental cars with lower greenhouse gas emissions and less polluting paper. This strategic approach is driven by the rationale to reduce the carbon footprint associated with the bank's operations and supply chain. Case study: The strategic decision to source and use less greenhouse gas pollutant products and services is based on the rationale to decrease environmental impact, mitigate climate-related risks, and support sustainable practices. The significant and ongoing reductions in emissions from our owned vehicle fleet and office paper consumption since 2013 onwards demonstrate Nedbank's commitment to implementing climate-friendly solutions throughout its supply chain and value chain.
Investment in R&D	Yes	Awareness: Nedbank recognizes the importance of research and development (R&D) in addressing climate-related risks and opportunities. The bank's rationale for conducting R&D in various areas related to climate change includes reducing its operational impact, staying informed about regulatory and policy developments, and developing innovative products and services to meet the evolving needs of clients and the market. Management: Nedbank's strategy in this area has been influenced by climate-related risks and opportunities. The bank continues to invest in R&D efforts focused on reducing its operational impact, researching regulatory and policy developments, and developing new climate-related products and services. This strategic approach is driven by the rationale to proactively address climate-related risks, identify market opportunities, and enhance the bank's resilience and competitiveness. Case study: A notable strategic decision influenced by climate-related risks and opportunities is the development of climate-related products, such as the issuance of Renewable Energy Bonds. This decision is based on the rationale to support the transition to renewable energy, contribute to sustainable development, and align with the United Nations' Sustainable Development Goals. The successful launch of Renewable Energy Bonds in 2019 exemplifies Nedbank's commitment to leveraging R&D and innovation for sustainable finance solutions.
Operations	Yes	Awareness: Nedbank recognizes its climate impact through its operations and has a clear rationale for addressing climate-related risks and opportunities in this area. The operational impact is discussed in various disclosures, reflecting the bank's commitment to sustainability, responsible resource management, and carbon footprint reduction. Management: Nedbank's strategy in this area has been influenced by climate-related risks and opportunities. The bank is committed to reducing its operational carbon footprint and has set targets to improve energy efficiency, increase photovoltaic generation, and implement sustainable practices. This strategic approach is driven by the rationale to minimize environmental impact, mitigate climate-related risks, and demonstrate leadership in sustainable operations. Case study: The strategic decision to reduce the carbon footprint through initiatives like increased energy efficiency and photovoltaic generation is based on the rationale to decrease environmental impact, promote clean energy adoption, and contribute to climate change mitigation. The successful and ongoing reduction since 2013 in carbon emissions per square meter occupied demonstrates Nedbank's commitment to sustainable operations and its proactive response to climate-related risks and opportunities.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital allocation Access to capital Assets Liabilities	Climate-related risks and opportunities have had a significant influence on Nedbank's financial planning across various areas of its operations. This includes the consideration of climate-related opportunities in relation to revenues, direct costs, capital allocation, access to capital, assets liabilities, provisions or general reserves, and claims reserves. Nedbank integrates climate-related risks into its lending, underwriting, and investing practices, actively managing 17 risk categories and applying assessment criteria aligned with the Equator Principles and IFC Performance Standards. Through its Social and Environmental Management Systems (SEMS), the bank ensures that climate-related risks are assessed and incorporated into decision-making processes, allowing for effective financial planning in response to climate-related challenges and opportunities. Lending, Underwriting, and Investing Practices: Climate-related risks are integrated into Nedbank's lending, underwriting, and investing practices. The bank applies risk management practices to manage risks effectively in GHG-intensive industries. Nedbank actively manages 17 risk categories, and climate-related risks are assessed through the bank's Social and Environmental Management Systems (SEMS). The SEMS process includes screening high-risk clients and deals through an independent social and environmental risk assessment. Example of a case studies: Climate-related risks are assessed and considered when granting credit, particularly in high-GHG emitting and climate vulnerable sectors such as mining, oil and gas, agriculture, real estate, water, and waste management. Social and Environmental Management Systems (SEMS): Nedbank has transformed and improved its SEMS to align with global best practices, including learnings from the Principles of Responsible Banking (PRB), Principles of Responsible Investment (PRI), and Task Force on Nature Related Financial Disclosures (TNFD). The SEMS integrates climate-related risks and opportunities into its management procedures, covering areas such as lending clusters and workflows, procurement, and specific business units. The SEMS ensures that Nedbank's financing decisions align with industry best practices and relevant environmental, social, and human rights benchmarks. Example of a case study: The bank has set restrictions on lending to thermal coal projects, with the intention to reduce exposure over time. Equator Principles and IFC Performance Standards: Nedbank applies the Equator Principles (EP) and the International Finance Corporation (IFC) Performance Standards in its lending practices. The EPs and IFC Performance Standards are integrated into Nedbank's social and environmental assessment for transactions where they apply. Nedbank evaluates affected transactions on both physical and domestic transitional risks, and the SEMS review process includes screening, risk evaluation, mitigation, monitoring, and reporting. The EP deals are disclosed in various reports, including the TCFD Report, Integrated Report, and to the EP Association. Overall, climate-related risks and opportunities have influenced Nedbank's financial planning by driving the bank to adopt responsible lending practices, manage risks effectively, align with global best practices, and integrate climate considerations into its decision-making processes. Nedbank's financial planning considers the potential impacts of climate-related risks on its core businesses, products, services, and investments, ensuring alignment with the goals of a net-zero carbon economy and sustainable development.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Other, please specify (Gross Loans and Advances (GLAA))

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
748174000000

Percentage share of selected financial metric aligned in the reporting year (%)
1

Percentage share of selected financial metric planned to align in 2025 (%)
0.75

Percentage share of selected financial metric planned to align in 2030 (%)
0.5

Describe the methodology used to identify spending/revenue that is aligned
The measure used was Gross Loans and Advances (GLAA) and the goal communicated in the TCFD report states that total financing in aggregate for coal-mining companies, infrastructure related to thermal coal, and trade related to thermal coal will be restricted to less than 1% of our group total advances, with this decreasing to 0,5% by 2030 (Please note 2025 goal is a pure linear approximation).

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks	<Not Applicable>

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Banking (Bank)
Investing (Asset manager)
Investing (Asset owner)

Type of exclusion policy
Thermal coal

Year of exclusion implementation
2021

Timeframe for complete phase-out
By 2025

Application
New business/investment for new projects

Country/Area/Region the exclusion policy applies to
South Africa

Description
Nedbank's Energy Policy is clear: no provision of project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025.

Portfolio
Banking (Bank)
Investing (Asset manager)
Investing (Asset owner)

Type of exclusion policy
All fossil fuels

Year of exclusion implementation
2021

Timeframe for complete phase-out
Other, please explain (By 2045)

Application
New business/investment for new projects

Country/Area/Region the exclusion policy applies to
South Africa

Description
By 2045 Nedbank wants to have zero exposure to all fossil-fuel related activities. Fossil fuels considered in this instance includes thermal coal, oil and gas.

C-FS3.6c

(C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

Nedbank tracks the total financing for coal-mining companies, thermal-coal-related infrastructure, and thermal-coal-related trade to ensure that financing remains less than 1% of the group total advances, reducing it to 0,5% by 2030. At 31 December 2022 the thermal-coal ratio was tracking at 0,3%, which is within the target range set for 2030. We will continue to maintain our progress against this key target.

Considering that gas will play a key part as we transition into a net zero carbon economy, it is Nedbank's view that gas must be considered separately. Regarding oil, Nedbank undertakes not to finance new oil exploration projects directly, regardless of jurisdiction and not to provide any new financing for oil production, regardless of jurisdiction, from 1 January 2035. Regarding gas, Nedbank undertakes not to finance new gas exploration projects directly, regardless of jurisdiction, and to continue to finance natural gas production where it will play an essential role in facilitating the transition to a zero-carbon energy system by 2050.

In its Energy Policy, Nedbank has undertaken not to provide financing to new coal-fired power stations, regardless of technology or jurisdiction. Nedbank will not provide financing for new utility-scale or embedded oil-fired power generation, unless it is integrated as backup supply to renewable generation projects. Nedbank has further undertaken not to provide financing for new utility-scale or embedded gas-fired power generation from 1 January 2030. On this basis, Nedbank tracks total financing for non-renewable power generation exposure to ensure that they continue to adhere to these commitments.

Work is currently underway and progressing to request and expand on the climate-related data requirements for clients/investees, and/or exclusion policies.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage
Majority of assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection
Review investment manager's climate-related policies

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy
Nedbank factors ESG compliance certificates in all appointments of our Service Providers, be it Investment Managers, Retirement Funds Administrators and Investment Consultants.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Coverage of covenants	Please explain
Purpose or use of proceeds clause refers to sustainable project	Corporate loans	Selected clients	Nedbank's Energy Policy focuses on financing activities related to fossil fuels and renewable and embedded energy solutions. It defines the scope as follows: Fossil Fuels: Includes thermal coal (mining, trading, and infrastructure), oil (upstream activities), gas (upstream activities), and power generation from fossil fuels. Renewable and Embedded Energy Solutions: Encompasses renewable energy sources (wind, solar, hydro, geothermal, and tidal) and energy technologies integrated into the built environment. Financing of Fossil-Fuel-Related Activities: For corporate or commercial clients primarily engaged in fossil fuel activities, the following commitments are made: Thermal Coal: No financing for thermal coal mines outside South Africa. No project financing for new thermal coal mines after January 1, 2025. Total financing for coal mining companies, thermal coal-related infrastructure, and thermal coal trade limited to less than 1% of group total advances, decreasing to 0.5% by 2030. Oil: No direct financing for new oil exploration projects. No new financing for oil production after January 1, 2035. Gas: No direct financing for new gas exploration projects. Financing of natural gas production continues if it supports the transition to a zero-carbon energy system by 2050. Power Generation: No financing for new coal-fired power stations, regardless of technology or jurisdiction. Financing for new utility-scale or embedded oil-fired power generation only if integrated as backup to renewable projects. No financing for new utility-scale or embedded gas-fired power generation after January 1, 2030, except for specific cases supporting the transition to a zero-carbon energy system (e.g., renewable projects with integrated gas-fired backup, conversion of existing coal- or oil-based generation to gas, mid-merit or peaking capacity).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
1465.86

Base year Scope 2 emissions covered by target (metric tons CO2e)
137102.83

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
138568.69

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2025

Targeted reduction from base year (%)
40

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3902.43

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
993813.13

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
103285.55

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Nedbank has established an ambitious target of achieving a 40% reduction in our Scope 1 and Scope 2 greenhouse gas (GHG) emissions by the end of 2025, using 2019 levels as the baseline. This target encompasses two key areas of focus.

Firstly, our Scope 1 emissions target includes all combustion-related sources, both stationary and mobile, originating from equipment owned and operated by Nedbank. This entails addressing emissions from our owned vehicles, generators, and other equipment. Additionally, we aim to mitigate fugitive emissions associated with refrigerant leakage, which fall within the Scope 1 category.

Secondly, our Scope 2 emissions target pertains to our electricity consumption across all our operations. Given that electricity use represents our largest source of emissions, we are determined to reduce our reliance on fossil fuels and transition to renewable sources of electricity. By doing so, we aim to significantly decrease the emissions associated with our electricity consumption.

Through the implementation of this target, we seek to minimise our consumption of fossil fuels for combustion, reducing our carbon footprint and contributing to the global efforts in combating climate change. By prioritizing the transition to renewable energy sources, we aim to not only reduce our emissions but also drive the adoption of sustainable practices within the financial sector.

Plan for achieving target, and progress made to the end of the reporting year
Nedbank has made notable progress in pursuing its reduction targets during this reporting year. While Scope 1 emissions remain a relatively small portion of the overall carbon footprint, steps have been taken to minimise these emissions further. It is worth noting that if load shedding did not require the use of generators, Scope 1 emissions would have been even lower.

In terms of Scope 2 emissions, although they decreased compared to 2021, electricity consumption continued to be the primary contributor, accounting for approximately 77.6% of the total carbon footprint in 2022. To address this, Nedbank has implemented a range of initiatives and set a reduction target based on 2019 levels, striving for reduced electricity usage.

Through strategic measures like the purchase of Renewable Energy Certificates (RECs) and electricity wheeling, we have successfully reduced fossil fuel-based electricity consumption per full-time equivalent employee (FTE). The lessons learned from energy reduction initiatives at campus sites are being leveraged to drive comparable reductions across non-campus sites, while diversifying electricity sources remains a priority.

Nedbank has implemented various initiatives to reduce Scope 2 emissions, such as the installation of building energy management systems and the replacement of energy-intensive fluorescent lights with energy-saving LED lights. Additionally, we are exploring opportunities to incorporate more renewable electricity sources like solar PV.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 6: Business travel
Category 7: Employee commuting

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
1465.86

Base year Scope 2 emissions covered by target (metric tons CO2e)
137102.82

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
1396.65

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
9497.74

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
38980.86

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
49874.76

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
188443.45

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
2.8

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
19.04

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
78.16

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2025

Targeted reduction from base year (%)
30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3902.43

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
993813.13

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
65.48

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
5423.74

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
19376.5

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
24865.72

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
128149.44

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
Nedbank has set an emissions reduction target of 30% by the end of 2025, based on 2019 levels. Nedbank is actively aligning our operations to support carbon neutrality, with a focus on projects like our green-building initiative to achieve these carbon reduction targets. This initiative forms just one part of Nedbank's broader efforts to transition towards carbon neutrality while minimising the reliance on offsets.

To diversify energy sources and support renewable energy projects, Nedbank has included renewable energy sources such as solar PV and externally sourced Renewable Energy Certificates (RECs).

In 2022, Nedbank continued our commitment to primarily reduce electricity consumption and diversify our electricity sources. Through various initiatives and an emissions reduction target set in 2019, we aim to achieve lower electricity consumption. The purchase of RECs and electricity wheeling have been instrumental in further reducing our environmental footprint.

Nedbank's comprehensive Business Travel Policy includes green-travel guidelines that encourages employees to use environmentally friendly travel methods. Teleconferencing and videoconferencing are also promoted as alternatives to carbon-intensive road or air travel for business purposes, emphasizing our commitment to sustainable practices.

Our efforts to reduce paper consumption have also been successful, attributed to the increased adoption of digital solutions as part of our digital journey. Practices such as digital signatures and providing client statements on digital platforms have contributed to a significant decrease in paper consumption.

There are exclusions in our emissions calculations for 2022. The emissions associated with shuttle services were quantified but deemed negligible (less than 1 tCO2e) compared to other emissions and thus excluded. Data for emissions related to the operation and servicing of remote devices, ATMs, self-service terminals, and point-of-sale devices located away from branch or office premises were also deemed negligible compared to our other emissions.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
Several emissions reduction initiatives have played a significant role in achieving our targets. These initiatives have helped us make substantial progress towards carbon neutrality while minimising the need for offsets.

One key initiative is our green-building project, which forms part of our efforts to align our operations with carbon neutrality objectives. By implementing sustainable practices and technologies such as solar PV and energy management systems in our buildings, we have successfully reduced our carbon emissions.

The purchase of Renewable Energy Certificates (RECs) and the implementation of electricity wheeling have been instrumental in decreasing our reliance on fossil fuel-based electricity consumption per full-time equivalent employee (FTE). These measures have enabled us to transition to cleaner energy sources.
Our Business Travel Policy which includes green-travel guidelines ensure that employees are encouraged to choose the most environmentally friendly business travel options. Promoting of teleconferencing and videoconferencing as alternatives to face-to-face meetings that involve carbon-intensive road or air travel. By embracing these alternatives, we have successfully reduced emissions associated with business travel.

Furthermore, our efforts to reduce paper consumption have been remarkable. The adoption of self-help digital solutions as part of our digital transformation journey has significantly contributed to lower paper demand. Practices such as the adoption of digital signatures for contracts and providing client statements on digital platforms have led to a substantial decrease in paper usage and its associated emissions.

These emissions reduction initiatives, including our green-building project, the purchase of RECs, electricity wheeling, sustainable travel practices, and digitalisation efforts, have collectively made a notable impact in our journey towards achieving our carbon reduction targets.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Market-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 6: Business travel
Category 7: Employee commuting

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.047

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
4.43

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
0.045

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
0.309

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
0.937

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
1.61

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
6.09

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
100

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
100

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
100

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
100

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
30

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

% change anticipated in absolute Scope 1+2 emissions
30

% change anticipated in absolute Scope 3 emissions
30

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.142

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
3.608

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
0.002

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
0.197

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
0.704

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
0.903

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
4.653

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
The reduction target was at a 30% decrease, based on end-of-2019 values, by the end of 2025. This target amounts to 4.25 tCO2e per FTE. Furthermore, Nedbank's long-term goals are being aligned to the United Nation's Sustainable Development Goals (SDG), which includes scenario analysis and potentially Science Based Targets, but this is still an on-going endeavour. One reasons for this is that the applicability of the SBTI models still being investigated.

Plan for achieving target, and progress made to the end of the reporting year
Nedbank is well on track to reach the set target with the primary focus being the reduction in scope 3 emissions, largely through employee engagement efforts and increased electricity diversification and building optimisation.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2019

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	metric tons of waste generated

Target denominator (intensity targets only)
unit FTE employee

Base year
2019

Figure or percentage in base year
0.00591

Target year
2025

Figure or percentage in target year
0.00575

Figure or percentage in reporting year
0.00516

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Achieved

Is this target part of an emissions target?
No.

Is this target part of an overarching initiative?
Other, please specify (Zero-to-landfill target)

Please explain target coverage and identify any exclusions
It is important to note that waste management is a company-wide initiative aimed at minimising our environmental impact and promoting sustainability.

Moving forward, we are dedicated to enhancing our zero-to-landfill concept, with the goal of reducing and eventually eliminating waste sent to landfill. By continuously improving our waste management strategies and exploring innovative solutions, we aim to make significant progress in minimising our environmental footprint.

While waste management may not directly contribute to the reduction of Scope 1 and Scope 2 emissions, it remains an integral part of our broader sustainability agenda. By fostering a culture of waste reduction, reuse, and recycling, we are actively working towards a more sustainable future and reinforcing our commitment to environmental stewardship.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
Nedbank's commitment to waste management is reflected in our ongoing employee awareness and education campaigns. These initiatives played a crucial role in driving our efforts to achieve our waste management targets. Additionally, our zero-to-landfill policy underscored our commitment to responsible waste management practices.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	10070
To be implemented*	1	
Implementation commenced*	3	
Implemented*	14	8025
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

8025

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1904338

Investment required (unit currency – as specified in C0.4)

1139226

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

We have undertaken the initiative to replace our energy-intensive fluorescent lighting with energy-efficient LED lighting at our head office building.

Through this initiative, we are committed to replacing 100% of the existing fluorescent lights with LED fixtures. By transitioning to LED lighting, we can achieve substantial energy savings and reduce our carbon footprint.

LED lighting offers numerous advantages over traditional fluorescent lighting, including higher energy efficiency, longer lifespan, and reduced maintenance requirements.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal price on carbon	Nedbank has obtained and maintained carbon neutral status since 2010. Being carbon neutral implies that a carbon price is set to offset the residual footprint after reduction initiatives were implemented.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the product(s).

Product type/Asset class/Line of business

Banking	Project finance

Taxonomy or methodology used to classify product
Green Bond Principles (ICMA)

Description of product
To help improve access to certified green homes in South Africa, Nedbank (in partnership with the IFC) has announced the issuance of a green residential development bond under Nedbank's domestic medium-term note program, with IFC as the anchor investor. This is the first green bond by a commercial bank in Africa focused on green residential housing developments. The green bond will contribute to South Africa's reduced emissions targets and enable Nedbank to expand its portfolio of green buildings certified under IFC's Excellence in Design for Greater Efficiencies (EDGE) program, which makes it easy to design and certify resource-efficient and zero carbon buildings. The bond, which raised a total of 1.09 billion rand, aligns with the International Capital Market Association Green Bond Principles and is listed on the JSE in the Sustainability Segment, a platform for companies to raise debt for green, social, and sustainable initiatives. Green buildings help address climate change and resource scarcity in South Africa and support the country's economic recovery from COVID-19. Although the number of green buildings in South Africa is growing, the market is still nascent. An IFC study estimates that the green building investment needs in South Africa, in both the commercial and residential segments, amount to US$7 billion between 2016 to 2030. This latest green bond issued by Nedbank will increase the availability of financing to boost South Africa's green building market. Scaling up green building financing, particularly in the residential sector, is critical to supporting the decarbonization of South Africa's energy sector while contributing to economic recovery and addressing the large housing deficit in the country.
In addition, in 2022 Nedbank successfully structured and implemented a R1,65bn green bond as part of a R5bn debt-refinancing package for Redefine Properties Limited. The green bond is a milestone for Nedbank as it represents the first green bond structured and concluded specifically for a corporate client.

Product enables clients to mitigate and/or adapt to climate change
Adaptation

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value
100

Type of activity financed/insured or provided
Green buildings and equipment

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the impact does not meet our significance threshold	<Not Applicable>	The change in the base year emissions, resulting from the adoption of a new methodology, accounts for only 1.2% of our total base year emissions. This difference falls below the 5% significance threshold, making it not substantial enough to necessitate a restatement of the base year emissions. Therefore, given the limited impact on the overall emissions data, a restatement is not required.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1465.86

Comment
This can be found in the 2022 Nedbank Group Climate Report on page 67.

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
137102.83

Comment
In South Africa, the supply of electricity and determination of electricity tariffs are primarily under the control of the state. The state-owned utility, Eskom, is the main provider of electricity in the country. However, individuals and businesses have the option to install their own electricity generation systems, such as rooftop solar PV, as an alternative to purchasing electricity solely from Eskom. Nedbank, a prominent financial institution in South Africa, has taken steps to adopt such renewable energy installations.
While Nedbank has embraced the use of its own electricity generation capacity, it currently faces a challenge where the demand for electricity exceeds its own supply. Consequently, Nedbank doesn't have a choice other than to rely on electricity supplied by Eskom, as it is the only utility available in the country. To determine the associated emission factor, which represents the carbon intensity of the electricity consumed, an average is calculated, considering the various energy generation sources, including independent power producers with whom Eskom has agreements to purchase electricity.
A published grid emission factor has been used calculated and to calculate the location-based result to determine the emissions. However, there are plans for Nedbank to explore third-party sourcing of electricity in the near future, which would potentially provide additional options for accessing cleaner energy sources and reducing emissions.

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
145079.72

Comment
In South Africa, the state primarily determines the supply of electricity and electricity tariffs. To have an alternative to purchasing electricity from the state-owned utility, individuals and businesses can install their own electricity generation systems, like rooftop-solar PV. Nedbank has implemented such installations, but its electricity demand exceeds its own generation capacity. Consequently, Nedbank is currently unable to rely on alternative sources for electricity other than Eskom, the country's sole utility. The associated emission factor is an average that considers various energy generation sources, including independent power producers with offtake agreements with Eskom. A residual mix emission factor has been calculated and used to calculate a Market-based result to estimate emissions. However, it is anticipated that third-party sourcing of electricity will become possible in the near future.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1396.65

Comment
This relates to the paper consumption.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
9497.25

Comment
This can be found in the 2022 Nedbank Group Climate Report on page 67.

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
38980.86

Comment
This can be found in the 2022 Nedbank Group Climate Report on page 67.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

3902.43

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

As disclosed in the 2022 Nedbank Group Climate report on page 67.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are not reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
At Nedbank, we have a combination of owned and leased facilities. While we own some of our larger facilities, such as regional offices, the majority of our facilities, including retail bank branches, are leased spaces. As a result, the electricity supply for these facilities is provided by the respective landlords, and we pay the associated fees. In other cases, we directly pay the local council or municipality for the electricity consumed.

Our reporting is based on market-based data, using a calculated residual mix emission factor where available from the grid where our electricity is consumed. We also have on-site renewable PV energy which we own and have direct operational control over at some of our facilities in South Africa. This means that for reporting a market-based figure the emission factor for such energy sources is zero.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
<Not Applicable>

Scope 2, market-based (if applicable)
99381.13

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
As discussed previously, we have calculated a residual mix emission factor for the national grid we are connected to in South Africa, and used the national grid average emission factors for the countries where a residual emission factor could not be provided. As a result, we provide a market-based figure for our Scope 2 emissions. The data can be found in Nedbank's 2022 climate change report.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
Emissions associated with the operation and servicing of ATMs, self-service terminals (SSTs) and point-of-sale (POS) devices located away from a branch or office premises, and other remote devices.

Scope(s) or Scope 3 category(ies)
Scope 3: Downstream leased assets

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
2

Explain why this source is excluded
Nedbank excludes the reporting of emissions associated with the operation and servicing of ATMs, self-service terminals (SSTs), point-of-sale (POS) devices located away from our branch or office premises, and other remote devices from our reporting. This exclusion is based on the following considerations:

Relevance to End User: These emissions are considered to be more closely tied to the individual or entity using the device, similar to how the carbon footprint of the electricity used by a computer purchased from a supplier is attributed to the end user rather than the supplier. As such, these emissions are deemed to be more appropriately accounted for by the users themselves rather than Nedbank as the supplier or operator of the devices.

Proportion of Total Usage: The electricity consumption associated with these devices is relatively low, representing less than 1% of our total energy usage. In the context of our overall emissions profile and considering the larger sources of emissions within our operations, including these relatively minor emissions would have a negligible impact on our overall carbon footprint. Thus, including them in our reporting would be of limited relevance when compared to larger emission sources that require greater attention and mitigation efforts.

While we strive for comprehensive reporting, we have made a reasonable determination to focus on emissions that have a more significant impact and are within our direct control.

Explain how you estimated the percentage of emissions this excluded source represents
The electricity consumption associated with these devices, including ATMs, self-service terminals (SSTs), and point-of-sale (POS) devices located away from branch or office premises, is relatively low. Previous estimates indicate that ATMs account for approximately 1.5% of our total electricity usage, while SSTs and POS devices use even less due to their smaller size. Taking into account the number of devices in the market, the overall estimate has been rounded up to 2%.

Source of excluded emissions
Shuttle Services

Scope(s) or Scope 3 category(ies)
Scope 3: Downstream transportation and distribution

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
1

Explain why this source is excluded
The 2022 emissions associated with shuttle services were quantified but excluded in the greater carbon emission calculations, as these emissions equate to less than 1 tCO2e and are negligible when compared with the other emissions.

Explain how you estimated the percentage of emissions this excluded source represents
The emissions associated with the shuttle services were calculated but due to significance assessment was deemed to be irrelevant due to the magnitude of the emissions. The shuttle emissions were calculated to be less than 1 tCO2e, which is less than 1% of Nedbank's total emissions for the reporting year of 128,149.44 tCO2e.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
65.48

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
This includes the emissions associated with the consumption of office paper in accordance with the GHG Protocol as guidance.

Capital goods

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a part of our disclosure on scope 3 emissions, we adhere to the GHG Protocol Corporate Accounting and Reporting Standard for guidance. It is important to note that Nedbank does not significantly purchase capital goods or emission-intensive products such as steel. Moreover, we have been actively reducing our fleet of vehicles. Additionally, instead of acquiring capital goods, we choose to categorize emissions associated with rented trucks under 'rental cars' in our reporting. By doing so, we effectively eliminate emissions originating from the purchase of capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The calculation of fuel- and energy-related activity emissions, which mainly encompass transmission and distribution losses of supplied electricity, has not been calculated and has not been included in Nedbank’s carbon footprint assessment. This is because Nedbank has taken the initiative to incorporate country-specific grid emission factors for the first time this year, rather than solely relying on South Africa's grid emission factor. As a result, the process of including these emissions in the carbon footprint calculation is still underway, ensuring a more accurate and comprehensive assessment that considers the specific grid emission factors and thus the specific percentage transmission losses of each country in which Nedbank operates.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank is a primarily a service-based organization and therefore does not deal in tangible products. Consequently, we do not have any significant upstream transportation and distribution emissions associated with our operations. As a result, the inclusion of goods transportation in our emissions assessment is not relevant to our operations.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
142

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
This includes the emissions associated with office waste sent to landfill as well as all waste recycling efforts of Nedbank.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
5423.74

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
All data is sourced from the suppliers and/or through the internal finance system. This includes domestic and international flights and rental car use and employee claims.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
19376.5

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
All data is supplied by the employees as part of a survey and incorporated in the GHG Protocol Corporate Accounting and Reporting Standard approach in combination with the applicable emission factors. In 2022 an extrapolation of current data was used, as approved by the external auditors, due to employee engagement.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All emissions from leased spaces, like electricity, are already accounted for as part of the other scopes in the carbon footprint.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank, as bank, provides services (and not products), which implies that there is no product that leaves the bank (barring cash and paperwork) that requires transport. For this reason, this set of emissions are not relevant.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank, as bank, provides services (and not products), which implies that there is no product that leaves the bank that requires processing. For this reason, this set of emissions are not relevant.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank, as bank, provides services (and not products), which implies that there is no use of sold products. For this reason, this set of emissions are not relevant.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank, as bank, provides services (and not products), which implies that there is no end of life treatment of sold products. For this reason, this set of emissions are not relevant.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Assets that Nedbank is responsible for paying for the consumption of, for example electricity, water, waste disposal, energy, for renting a building are reported under the direct categories associated with each consumption type separately. Athese emissions are not included in Nedbank's inventory.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Nedbank, as bank, does not follow a franchising model.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No further emissions are taken into account.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No further emissions are taken into account.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00000181

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
103285.55

Metric denominator
unit total revenue

Metric denominator: Unit total
57076000000

Scope 2 figure used
Market-based

% change from previous year
16.39

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
The combined Scope 1 and 2 emissions decreased while revenue increased, leading to a reduction in emissions per unit of revenue. Furthermore, we have achieved this by increasing our utilization of renewable energy sources, implementing electricity wheeling, and retiring renewable energy credits (RECs). These strategic measures have contributed to our overall environmental sustainability and reduced our ecological footprint.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	907.82	Decreased	0.8101	The decrease in emissions can be attributed to the significant expansion of our self-generated renewable energy capacity and electricity wheeled from other renewable energy sources. By increasing our reliance on renewable energy sources, we have reduced our dependence on grid electricity, which often carries a higher carbon footprint. This shift towards cleaner energy generation has played a crucial role in lowering our overall emissions and advancing our commitment to environmental sustainability.
Other emissions reduction activities	8080.17	Decreased	7.21	The decrease in emissions can be attributed to our initiative of replacing energy-intensive lighting in our buildings with energy-saving LED lights. Additionally, we have made efforts to decrease fuel consumption in our fleet vehicles, further contributing to the overall reduction in emissions. These measures align with our commitment to sustainability and demonstrate our dedication to minimising our environmental impact.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	2424.08	Decreased	2.16	The calculation of scope 2 emissions for the previous reporting year was based on the South African grid emission factor applied to all countries. However, for the current reporting year, the specific emission factor of each country was utilized to calculate their scope 2 emissions. This revised approach led to a decrease in the total scope 1 and 2 emissions. By using country-specific emission factors, we were able to provide a more accurate assessment of emissions and ensure greater precision in our reporting.
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	12738	12738
Consumption of purchased or acquired electricity	<Not Applicable>	375	97890	98265
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1192	<Not Applicable>	1192
Total energy consumption	<Not Applicable>	1567	110628	112195

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
South Africa

Consumption of purchased electricity (MWh)
87367

Consumption of self-generated electricity (MWh)
1192

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
142

Metric numerator
Tonnes sent to landfill

Metric denominator (intensity metric only)
Full time employees

% change from previous year
49.5

Direction of change
Increased

Please explain
This increase can be accounted for by the higher office occupancy in 2022 compared to 2021 after the Covid-19 restrictions were lifted. The overall waste reduction since 2019 (baseline) is 23% (41 tonnes).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2022 Nedbank Group Integrated Report_.pdf

Page/ section reference
Refer to the section titled Assurance practitioner's responsibility on page 105 of Nedbank's Integrated Report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2022 Nedbank Group Integrated Report_.pdf

Page/ section reference
Refer to the section titled Assurance practitioner's responsibility on page 105 of Nedbank's Integrated Report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Business travel
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2022 Nedbank Group Integrated Report_.pdf

Page/section reference
Refer to the section titled Assurance practitioner's responsibility on page 105 of Nedbank's Integrated Report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C3. Business strategy	Other, please specify (All CIB credit risk reviews and new applications included the screening of high-risk clients and EP relevant deals via the Social and Environmental Management System (SEMS) with coverage Nedbank CIB (Investment Banking and Client Coverage).)	The verification process for the data was conducted in line with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. This standard provides a framework for obtaining assurance about the accuracy and reliability of non-financial information, ensuring compliance with risk mitigation mechanisms, such as anti-money laundering, combating the financing of terrorism, counter-proliferation financing, managing sanctions risk, and adherence to relevant legal requirements.	Nedbank has chosen to verify the data mentioned in C3.4 using ISAE 3000 to ensure the accuracy, reliability, and transparency of our credit risk assessment processes. By following stringent procedures, including due diligence for all clients, Nedbank aims to identify, assess, manage, and monitor risks associated with clients, including potential adverse human rights impacts. Our approach to managing human rights in our interactions with clients aligns with international best practices, including the Equator Principles and IFC Performance Standards. By implementing the Equator Principles (EP4), we demonstrate our commitment to responsible financing and appoints an external service provider to conduct human rights impact assessments and climate change assessments on projects falling within the scope of these principles. Across our business, we conduct social and environmental assessments, including human rights considerations, through our Social and Environmental Management System (SEMS). This system evaluates social and environmental protections, compliance with labour legislation. The SEMS assessment process, covers all new applications and credit-risk reviews of high-risk transactions in our Investment Banking and Client Coverage divisions. It is important to note that we conduct assessments across various business units, such as CIB (excluding Property Finance), Property Finance, and Commercial Banking, based on transactional volumes and risk-based approaches.

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Other, please specify (REDD+)

Type of mitigation activity

Carbon removal

Project description

The Makira Forest Protected Area in Madagascar, registered on the Verra Registry, is a project that utilizes carbon credit sales from avoided deforestation and carbon sequestration to support the long-term conservation of Madagascar's pristine rainforest ecosystem. This project focuses on the Makira Protected Forest Area, which spans 372,470 hectares and includes rare and endangered biodiversity.
The primary objective of the Makira Forest REDD+ project is to enhance community land stewardship and governance while promoting sustainable livelihood practices for local residents. The initiative emerged from a collaboration between the Government of Madagascar and the Wildlife Conservation Society in 2001, resulting in the establishment of the Makira Forest Protected Area. Subsequently, in 2012, the Makira Forest was designated as the Makira Natural Park, Madagascar's largest park and an International Union for Conservation of Nature category II protected area.

Encompassing the Makira Natural Park are 73 small community-managed forests, totalling 350,000 hectares and inhabited by approximately 90,000 people across 120 villages. The local population heavily relies on natural resources for their daily sustenance, with 99% of the community living on less than US$1.25 per day and an average annual household income of US$319. The Wildlife Conservation Society collaborates closely with community forest management associations to ensure sustainable resource management and support the welfare of the local communities.

The Makira Protected Forest Area Project is projected to prevent over 33 million tonnes of CO_2 emissions over a span of 30 years. This ambitious endeavour will contribute to avoiding approximately 38 million tonnes of CO_2e emissions, equivalent to the annual emissions generated by 6.4 million passenger vehicles or 3.2 million homes. Additionally, it offsets emissions equivalent to seven coal-fired power plants and protects a vast expanse of 372,000 hectares of dense primary forest, contributing significantly to global carbon sequestration and climate mitigation efforts.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

44522

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2005

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Investment analysis
Barrier analysis
Market penetration assessment

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
To minimize and, where possible, avoid negative environmental, economic, and social impacts the VCS standard sets out requirements for a project which include:
The project proponent must identify and address any potential negative impacts on the natural environment and local communities. This involves engaging with local stakeholders throughout the project development and implementation processes. The proponents are also required to conduct a local stakeholder consultation prior to validation to gather input and evaluate potential negative impacts. Ongoing communication with stakeholders is required to be established to address concerns during project implementation.

In addition, to minimize damage to ecosystems, the project must not introduce or allow the thriving of invasive species. The use of non-native species must be justified, considering possible adverse effects. Similarly, the project must justify the use of fertilizers, chemical pesticides, biological control agents, and other inputs, taking into account their potential adverse effects.

The VCS standard also encourages activities to mitigate leakage and sustainably reduce deforestation, forest degradation, or wetland degradation. This may include implementing agricultural intensification practices on non-wetlands, lengthening fallow periods, practicing agroforestry and establishing fast-growing woodlots on degraded land. Other activities could involve forest under-story farming, ecotourism, sustainable livelihood practices, sustainable production of non-timber forest products, and sustainable aquaculture.

Leakage mitigation activities can be supplemented by providing economic opportunities for local communities that encourage forest or wetland protection. This can include employing local communities as protected-area guards, providing training in sustainable forest use, or assisting communities in securing markets for sustainable forest products or wetland products. This helps create incentives for sustainable practices and supports the livelihoods of local communities, promoting environmental conservation and social well-being.

Comment
In terms of proving additionality, market penetration assessments in REDD+ projects are determined by using a common practice analysis, which demonstrates that the activity is not common practice and is therefore additional. By showing that the project goes beyond what is typically observed, it provides evidence of the project's uniqueness and the need for its implementation to achieve meaningful emissions reductions or removals.

A buffer pool serves as a risk mitigation mechanism for projects aimed at reducing emissions from deforestation and forest degradation (REDD+ projects). It involves setting aside a certain number of credits in a permanent risk buffer, which acts as a safeguard against potential non-permanence of emission reductions. The specific amount of credits to be held in the buffer is determined based on a percentage calculated from the difference between total emissions from unplanned deforestation in the baseline scenario and the projected emissions with the implementation of the project. The retention rate for the buffer is determined by assessing the risk classification of the project using the VCS tool for Agriculture, Forestry, and Other Land Use (AFOLU) Risk of Non-Permanence. The percentage allocated to the buffer pool for the Makira Forest project amounts to 13% based on these calculations. This buffer pool ensures that there are sufficient credits available to compensate for any potential reversals or uncertainties in the permanence of emission reductions, thereby enhancing the integrity and reliability of the carbon credit system.

Project type
Other, please specify (REDD)

Type of mitigation activity
Carbon removal

Project description
The Gola REDD project is a conservation initiative focused on safeguarding the forested areas within the Gola Rainforest National Park (GRNP) in southeastern Sierra Leone. Recognised as Sierra Leone's largest remaining expanse of Upper Guinea Tropical Forest, the GRNP and its adjacent forests are globally recognised as biodiversity hotspots. These areas are home to numerous threatened species, including eight endangered and one critically endangered species.

The primary objective of the Gola REDD project is to implement conservation actions that will protect these vulnerable species, preserve 68,515 hectares of tropical forest, and sequester carbon dioxide emissions. Additionally, the project aims to provide livelihood support to the 114 impoverished communities located in the vicinity of the GRNP.

The Gola REDD project aims to generate sustainable revenue by selling credits validated by the Verified Carbon Standards (VCS) and the Climate, Community, and Biodiversity Alliance (CCBA). These credits provide a tangible economic incentive to reduce emissions resulting from unplanned deforestation activities. By establishing a reliable revenue stream, the project aims to ensure the long-term viability of conservation efforts and contribute to the overall well-being of the local communities and the protection of Sierra Leone's natural heritage.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
9478

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2013

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Consideration of legal requirements
Investment analysis
Barrier analysis
Market penetration assessment

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
To minimize and, where possible, avoid negative environmental, economic, and social impacts the VCS standard sets out requirements for a project which include:
The project proponent must identify and address any potential negative impacts on the natural environment and local communities. This involves engaging with local stakeholders throughout the project development and implementation processes. The proponents are also required to conduct a local stakeholder consultation prior to validation to gather input and evaluate potential negative impacts. Ongoing communication with stakeholders is required to be established to address concerns during project implementation.
In addition, to minimise damage to ecosystems, the project must not introduce or allow the thriving of invasive species. The use of non-native species must be justified, considering possible adverse effects. Similarly, the project must justify the use of fertilizers, chemical pesticides, biological control agents, and other inputs, taking into account their potential adverse effects.
The VCS standard also encourages activities to mitigate leakage and sustainably reduce deforestation, forest degradation, or wetland degradation. This may include implementing agricultural intensification practices on non-wetlands, lengthening fallow periods, practicing agroforestry and establishing fast-growing woodlots on degraded land. Other activities could involve forest under-story farming, ecotourism, sustainable livelihood practices, sustainable production of non-timber forest products, and sustainable aquaculture.

Leakage mitigation activities can be supplemented by providing economic opportunities for local communities that encourage forest or wetland protection. This can include employing local communities as protected-area guards, providing training in sustainable forest use, or assisting communities in securing markets for sustainable forest products or wetland products. This helps create incentives for sustainable practices and supports the livelihoods of local communities, promoting environmental conservation and social well-being.

Comment
In terms of proving additionality, market penetration assessments in REDD projects are determined by using a common practice analysis, which demonstrates that the activity is not common practice and is therefore additional. By showing that the project goes beyond what is typically observed, it provides evidence of the project's uniqueness and the need for its implementation to achieve meaningful emissions reductions or removals.

A buffer pool serves as a risk mitigation mechanism for projects aimed at reducing emissions from deforestation and forest degradation (REDD projects). It involves setting aside a certain number of credits in a permanent risk buffer, which acts as a safeguard against potential non-permanence of emission reductions. The specific amount of credits to be held in the buffer is determined based on a percentage calculated from the difference between total emissions from unplanned deforestation in the baseline scenario and the projected emissions with the implementation of the project. The retention rate for the buffer is determined by assessing the risk classification of the project using the VCS tool for Agriculture, Forestry, and Other Land Use (AFOLU) Risk of Non-Permanence. The percentage allocated to the buffer pool for the Gola REDD project amounts to 10% based on these calculations. This buffer pool ensures that there are sufficient credits available to compensate for any potential reversals or uncertainties in the permanence of emission reductions, thereby enhancing the integrity and reliability of the carbon credit system.

Project type
Clean cookstove distribution

Type of mitigation activity
Emissions reduction

Project description
The Gyapa Improved Cook Stoves Project in Ghana aims to address the inefficiency of traditional coal pots by manufacturing and selling the Gyapa stove, a highly efficient charcoal stove. The project initially focused on the Greater Accra and Ashanti regions before expanding its reach to the rest of the country. By replacing the baseline stoves with the Gyapa stove, the project significantly reduces greenhouse gas emissions the fuel savings for families in urban and semi-urban areas of Ghana.

The Gyapa stove incorporates a ceramic liner that enhances heat retention and increases overall efficiency. Kitchen tests have demonstrated that the Gyapa stove achieves a fuel efficiency of 30%, a significant improvement compared to the traditional coal pots' thermal efficiency of 10-15.

The project has been operational since 2007 and was officially registered under the Gold Standard on June 15, 2010. While the average lifespan of the Gyapa stove is conservatively estimated at 3 years, experience has shown that with proper care, the stove can last well beyond this timeframe.

The project's reach has expanded from the initial focus on the Greater Accra region to cover the entire country of Ghana, albeit with varying levels of intensity. To promote stove sales and usage, the project reinvests revenues from carbon finance into various aspects of the stove value chain, including marketing, distribution channel development, and other strategic investments.

By providing households with efficient cook stoves, the Gyapa Improved Cook Stoves Project contributes to reducing environmental impact, improving energy efficiency, and supporting sustainable cooking practices across Ghana.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
10809

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2013

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
Gold Standard

Method(s) the program uses to assess additionality for this project
Consideration of legal requirements
Investment analysis
Barrier analysis
Market penetration assessment

Approach(es) by which the selected program requires this project to address reversal risk
No requirements

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
The Gold Standard requires that projects make a positive contribution to Climate Security and Sustainable Development, taking into account the Sustainable Development Goals (SDGs). Each project must demonstrate a clear and direct impact on sustainable development, meaning it must have measurable and beneficial effects on at least three SDGs, with SDG 13 being one of them. SDG 13 specifically focuses on Emissions Reductions or Removals and/or Adaptation to climate change. These impacts on the SDGs are referred to as SDG Impacts. By aligning projects with the SDGs, the Gold Standard ensures that they address broader sustainability objectives and contribute to global efforts in combating climate change while fostering sustainable development. This framework emphasizes the holistic and interconnected nature of environmental and social progress, promoting positive and measurable outcomes across multiple dimensions of sustainable development.

Comment
The Gyapa Improved cook stove project contributes to several Sustainable Development Goals (SDGs). SDG 1: No Poverty is addressed by reducing fuel costs for poor families through the use of improved stoves, making cooking more affordable and accessible for disadvantaged communities. SDG 3: Good Health and Well-being is supported by the project's contribution to improved air quality, reducing exposure to harmful pollutants and decreasing the risk of respiratory and cardiovascular diseases, including childhood pneumonia. SDG 8: Decent Work and Economic Growth is advanced through the creation of employment opportunities in manufacturing, distribution, retailing, and maintenance of the improved stoves, fostering local economic growth and supporting livelihoods. SDG 13 by actively reducing greenhouse gas emissions, promoting climate action and the reduction of environmental impacts.

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Nedbank's climate-related supplier engagement strategy encompasses a comprehensive approach to ensure broad coverage among our active suppliers. We require all suppliers to update their profiles annually (or whenever there is any change) through a comprehensive supplier questionnaire, including relevant climate-related information.

Our questionnaire targets key aspects, such as environmental management, carbon footprint reduction, and waste and water management. Our engagement questionnaire is distributed to all of our active suppliers (100%), and includes a significant number of Small and Medium Suppliers (SMEs). This approach allows us to gain valuable insights into supplier sustainability practices and identify opportunities for improvement, promoting a sustainable supply chain. Only a negligibly small number of suppliers decline to complete the questionnaire due to internal policies.

We proactively offer support and provide our own policies to suppliers who do not have policies in place, or who wish to enhance their sustainability practices. By offering year-round standing support to all suppliers, we aim to drive positive change in our supply chain, and to improve our suppliers' policies and impacts.

Impact of engagement, including measures of success
Nedbank's climate-related supplier engagement aims to drive positive sustainability outcomes and foster a culture of environmental awareness among our suppliers. 17% of our suppliers have already indicated the presence of sustainability strategies, and we are able to track progress year-on-year and work with suppliers to strengthen their sustainability practices.

In the future, we aim to improve tracking of measurable indicators to gauge the success of our engagement efforts. We aim to increase the percentage of suppliers with sustainability strategies and drive improvements in environmental performance metrics, such as carbon footprint reduction, waste management and water stewardship. By collaborating on initiatives that also promote positive social impact while reducing climate-impacts, and supporting employees' environmental training, we anticipate a collective shift closer to a more sustainable supply chain.

Comment
We distribute a sustainability profile questionnaire annually to all suppliers, including climate-related sustainability questions. This approach allows us to understand the sustainability profile of our entire supplier base and identify areas of improvement.

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients
Customers/clients of Banks

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate clients about your climate change performance and strategy

% client-related Scope 3 emissions as reported in C-FS14.1a

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Engagement targeted at clients with increased climate-related risks

Impact of engagement, including measures of success
Nedbank's climate-related engagement strategy with its customers follows a multipronged approach that includes publishing annual reports, such as the Task Force on Climate-related Financial Disclosures (TCFD) Report and the Nedbank Carbon Footprinting Guide, which has been downloaded over 53,000 times and has also been used as a textbook in university courses. These publications are aimed at our entire client base across 100% of our portfolios.
In addition, we also engage with banking customers through our Nedbank branches. When waiting to be assisted, customers are exposed to multiple short and informative educational video clips which are displayed on screens in the reception areas, some of which pertain to climate change matters.
Measure of success: the aim of engagements around climate matters is to maintain open and transparent communications between Nedbank and its clients. For example, Nedbank's client satisfaction has improved to market-leading levels, ranking as the #1 South African bank on client satisfaction (NPS), and achieving high ratings on the Apple App Store and Google Play Store. The bank's active digital users increased by 13% to 2.6 million, and digital sales as a percentage of total sales in Retail and Business Banking increased to 53%. In the asset management business, several Nedbank funds were finalists and winners in prestigious awards such as the Raging Bull and Morningstar. Furthermore, Nedbank's brand value has increased slightly to R15 billion, positioning the bank as a strong and trusted financial institution.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	No, but we plan to in the next two years	Important but not an immediate priority	The focus was to embed climate change considerations broadly into the business during the reporting period., voting rights for shareholders on climate-related issues will be considered in the next reporting cycle.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
2022 Nedbank Group Climate Report.pdf
2022 Nedbank Group Climate Report_.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
Nedbank has implemented various processes to ensure that its external engagement activities are consistent with its climate commitments and climate transition plan. These processes are designed to align with the goals of the Paris Agreement and the objective of keeping global warming well below 2°C above pre-industrial levels by 2050.
Dedicated, informed and mandated Nedbank representatives engage directly or through trade associations with policy makers. Part of the role of the authorized Nedbank employees are to ensure that a consistent message and position is presented.
Nedbank's processes to ensure external engagement activities are consistent with our climate commitments and/or climate transition plan will evolve as we develop a decarbonisation pathway that aligns with the Paris Agreement goals. Nedbank also intends to use a benchmark scenario that considers the African context. The bank will leverage the latest available science in selecting the pathway, which will form the basis of its fossil fuel and power generation glidepaths. Additionally, Nedbank plans to set targets for other segments of its portfolio based on materiality in terms of emissions to South Africa and the bank itself, if data permits.
Nedbank has established metrics and targets to manage identified risks and opportunities. Nedbank is committed to tracking and managing its operational emissions as well as the impacts of its lending and investment activities. These metrics and targets will be reviewed over time to ensure coherence with the objectives of the Paris Agreement, considering the latest scientific understanding and other relevant factors.
As part of our commitment to the goals and objectives of the Paris Agreement, Nedbank supports the United Nations Framework Convention on Climate Change (UNFCCC) and the international framework for collective action on climate change. Nedbank recognises the need to limit global temperature increases and work towards a net-zero economy by 2050.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (The South African National Business Initiative (NBI))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The National Business Initiative (NBI) is a voluntary coalition of South African and multinational companies committed to sustainable growth and development in the country. Established in 1995, the NBI has had a significant impact in various areas such as housing delivery, crime prevention, local economic development, public sector capacity building, education and training, public-private partnerships, energy efficiency, and climate change. As a global network partner of the World Business Council for Sustainable Development (WBCSD) and the focal point of the United Nations Global Compact (UNGC) Local Network in South Africa, the NBI actively promotes responsible business action for sustainable growth. It also collaborates with organizations like the CEO Water Mandate, We Mean Business, and the CDP.

Nedbank and the NBI share a common perspective on climate change, acknowledging its existence and advocating for swift action. Both entities rely on scientific evidence, particularly the UNFCCC's Assessment Reports and reputable publications, as the basis for their call to address climate change. The NBI, like Nedbank, is a strong proponent of mitigation and adaptation measures in response to climate change. Their positions align closely, demonstrating a shared commitment to addressing climate change based on scientific findings and promoting sustainable practices.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
300000

Describe the aim of your organization's funding
This is an estimated amount for annual membership fees.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
2022 Nedbank Group Climate Report_.pdf

Page/Section reference
P7-13, 17-20, 23-73, 76-79 of the attached Climate report.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Our Climate Report covering FY2022 provides an overview of our accomplishments, climate governance strategy, climate-related activities, and stakeholder engagements. It also covers our alignment with policies and standards, and our governance structures. Additionally, it shows our climate strategy, risk management, targets, and carbon footprint. It also highlights our stakeholder engagements, emphasising the importance of collaboration.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Equator Principles IIF Forum on Implementation of TCFD recommendations UNEP FI Other, please specify (2 Degrees Investing Initiative)	IIF Forum on Implementation of TCFD Recommendations: The Basel Committee on Banking Supervision Charter (BCBS) is the primary global standard setter for the prudential regulation of banks and provides a forum for regular cooperation on banking supervisory matters. Its 45 members comprise central banks and bank supervisors from 28 jurisdictions. The BCBS has published a public consultation paper on principles for the effective management and supervision of climate-related financial risks. The document forms part of the committees' holistic approach to addressing climate related financial risks to the global banking system and aims to promote a principles-based approach to improving both banks' risk management and supervisors' practices in this area. The IIF Forum (which Nedbank is a member of) has provided a response to the BCBS on the consultation paper. The BCBS published its finalised principles for the effective management and supervision of climate-related financial risks in June 2022. Equator principles: As a prominent project finance provider in South Africa, we prioritize the meticulous evaluation of potential project finance transactions, project-related corporate loans, project finance advisory services, and specific bridge loans. Our assessments are conducted in accordance with globally recognized environmental and social sustainability standards. Central to our approach is adherence to the Equator Principles (EP), an international voluntary framework designed to ensure consistent management of environmental and social risks in project and corporate financing. We have aligned our processes with EP3 and actively contributed to the revision of the Equator Principles, including the development of EP4. UNEP FI: Nedbank is an active member of the Positive Impact Initiative and working group. The Positive Impact Initiative is a collaborative movement that started in 2015 by UNEP FI member banks and investors who believed in the need to transition to an impact based business and financing paradigm to achieve a sustainable world as defined by the SDGs. 2 Degrees Investing Initiative: The 2DII is an independent, non-profit think tank working to align financial markets and regulations with the Paris Agreement goals. 2DII coordinates some of the world's largest research projects on sustainable finance. Its team of finance, climate, and risk experts develop research, tools, and policy insights to help financial institutions and regulators hasten and adapt to the low-carbon transition. Nedbank is in partnership with 2DII and uses the PACTA tools developed by 2DII, which measure the exposure to and alignment with a series of decarbonisation scenarios of companies and financial portfolios.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Initial investigation has begun and key sub-sections, like thermal coal exposure, were focussed on.
Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Lending to coal

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
232400000

New loans advanced in reporting year (unit currency – as specified in C0.4)

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
0.3

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
Nedbank tracks the total financing for coal-mining companies, thermal-coal-related infrastructure, and thermal-coal-related trade. Please refer to our Group Climate Report for more detail.

Lending to oil and gas

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
21290000000

New loans advanced in reporting year (unit currency – as specified in C0.4)

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
1.4

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
Included in the lending to oil and gas is the petroleum industry, which is divided into three major streams, namely upstream (exploration and production), midstream (transport and storage), and downstream (refining, processing, sales, marketing, etc).

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Investing all carbon-related assets (Asset owner)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio's exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Investing in coal (Asset owner)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio’s exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Expansion of assessment of other portfolios are planned.

Details of calculation
<Not Applicable>

Investing in oil and gas (Asset owner)

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio’s exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Insuring all carbon-related assets

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio’s exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Insuring coal

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio’s exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

Insuring oil and gas

Are you able to report a value for the carbon-related assets?
No, but we plan to assess our portfolio’s exposure in the next two years

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
Other, please specify (Ongoing Investigation)

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
Our immediate focus has been on our lending portfolio, with a focus on thermal coal, oil and gas. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.

Details of calculation
<Not Applicable>

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	We have evaluated the carbon footprint of Nedbank’s direct operations and focussed our immediate efforts on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. Work is underway to enable a better understanding of the associated financial risks of identified climate risks, supported by financial data and climate change scenario analysis.
Investing (Asset manager)	No, but we plan to do so in the next two years	<Not Applicable>	We have evaluated the carbon footprint of Nedbank’s direct operations and focused our immediate efforts on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to assess our managed assets emissions in the next two years.
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	We have evaluated the carbon footprint of Nedbank’s direct operations and focused our immediate efforts on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to assess our investment portfolio’s emissions in the next two years.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	We have evaluated the carbon footprint of Nedbank’s direct operations and focused our immediate efforts on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to assess our insurance portfolio’s emissions in the next two years.

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	We have evaluated the carbon footprint of Nedbank's direct operations and focused our immediate efforts on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. Along with this, we have published our Energy Policy that commits Nedbank not to providing project financing for new thermal coal mines, regardless of jurisdiction, from 1 January 2025. By 2045 Nedbank aims to have zero exposure to all fossil-fuel related activities. Fossil fuels considered in this instance includes thermal coal, oil and gas.	<Not Applicable>
Investing (Asset manager)	No, but we plan to in the next two years	<Not Applicable>	Our immediate efforts were focused on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to expand our efforts in the next two years to also align our asset management portfolio.
Investing (Asset owner)	No, but we plan to in the next two years	<Not Applicable>	Our immediate efforts were focused on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to expand our efforts in the next two years to also align our asset ownership portfolio.
Insurance underwriting (Insurance company)	No, but we plan to in the next two years	<Not Applicable>	Our immediate efforts were focused on evaluating our lending exposure to thermal coal, oil, gas and non-renewable power generation. We plan to expand our efforts in the next two years to also align our insurance portfolio.

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	Nedbank conducts enhanced due diligence and risk assessments involving climate-related information for some clients, considering their relevance to the bank's Energy Policy. The clients that are considered relevant are those involved in power generation, specifically in relation to coal-fired power stations, oil-fired power generation, and gas-fired power generation. Nedbank has committed to not provide financing for new projects in the areas listed above, as outlined in its Energy Policy. The enhanced due diligence and risk assessments ensure that Nedbank assesses the environmental impact of these clients and aligns with its commitment to transitioning away from fossil fuels. By considering the environmental impact of clients involved in power generation, Nedbank aligns its financing decisions with its commitment to climate change mitigation and the goals of the Paris Agreement. The information influences the outcomes of the due diligence and risk assessment processes by guiding the bank's decisions on whether to provide financing for projects in the specified power generation sectors.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Nedbank has established robust governance mechanisms to ensure effective oversight of climate-related issues by the board, of which biodiversity is part and parcel. The board plays a crucial role in reviewing and guiding the bank's strategy, risk management policies, and major capital expenditures, acquisitions, and divestitures, with a specific focus on climate-related considerations. As a standalone committee of the board, the Group Climate Resilience Committee (GCRC) focuses purely on climate-related risks and opportunities, including biodiversity concerns. Biodiversity topics, including the bank's internal alignment with the Sustainable Development Goals, more relevantly SDG 15 – Life on Land, are discussed at board meetings when arising. These discussions provide an opportunity for the board to review and guide the bank's overall strategy, ensuring that it remains aligned with its environmentally sustainable objectives. The board's guidance helps shape the bank's approach to climate-related risks and opportunities, enabling it to navigate the challenges and capitalize on the opportunities presented by climate change and biodiversity conservation. Nedbank acknowledges its responsibility to protect natural resources and collaborates with like-minded organisations to fund biodiversity protection and sustainable practices, working with clients to assess and value biodiversity impacts, develop action plans, and disclose related risks and performance. Nedbank's long-standing partnership with WWF and the WWF Nedbank Green Trust, supports environmental, climate, and biodiversity objectives, further strengthened by joining the WWF-endorsed Alliance for Climate Action. Additionally, Nedbank hosted an investment summit on biodiversity risks with subject matter experts and business leaders and released their third responsible-investment research survey among asset managers to provide insight into ESG adoption and practices that included biodiversity considerations.	Risks and opportunities to our own operations Risks and opportunities to our investment activities The impact of our own operations on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	<Not Applicable>	Other, please specify (Endangered Wildlife Trust - Pam Golding Biodiversity Sustainability Guide)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Other, please specify (Nedbank publicly commits to biodiversity protection and sustainability through initiatives like the Guide to Biodiversity in your Garden in association with The Endangered Wildlife Trust and Pam Golding Properties, and the Nedbank Green Living Guide.)

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In other regulatory filings	Content of biodiversity-related policies or commitments Impacts on biodiversity	Nedbank Group Integrated Report 2022, p89 – SDG15 speaks to value creation for stakeholders through biodiversity protection. 2022 Nedbank Group Integrated Report_.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please refer to the attached Group Climate Change report and our Group Integrated report for further data.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive	Chief Executive Officer (CEO)

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	The Group Climate Resilience Committee, a sub-committee of board, has experience with various fields, including climate change. Water and forest related issues is seen as a subset of climate change considerations.

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)
Water

Frequency with which the issue area(s) is a scheduled agenda item
Scheduled - all meetings

Governance mechanisms into which this issue area(s) is integrated
Please select

Scope of board-level oversight
Risks and opportunities to our banking activities
The impact of our banking activities on forests and/or water security

Please explain
The Group Climate Resilience Committee, a sub-committee of board, has experience with various fields, including climate change. Water and forest related issues is seen as a subset of climate change considerations.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
Competency is assessed as:
Experience in relevant fields like climate change and sustainability as well as attending internal and external training relevant to the field.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

Water

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
Competency is assessed as:
Experience in relevant fields like climate change and sustainability as well as attending internal and external training relevant to the field.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee
Chief Risks Officer (CRO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Assessing forests- and/or water-related risks and opportunities
Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our banking portfolio
Risks and opportunities related to our investing (asset management) activities
Risks and opportunities related to our investing (asset ownership) activities
Risks and opportunities related to our insurance underwriting activities

Reporting line
Other, please specify (Board of Directors)

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Quarterly

Please explain

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Forests exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Water exposure	No, but we plan to within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Forests-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Water-related information	No, but we plan to do so within the next two years	Water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Risks exist, but none with the potential to have a substantive financial or strategic impact on business	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk1

Portfolio where risk driver occurs
Investing (Asset owner) portfolio

Issue area risk relates to
Please select

Risk type & Primary risk driver

Acute physical	Drought

Primary potential financial impact
Increased capital expenditures

Risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Nedbank has a dispersed retail banking footprint and some of the premises are owned, forming part of the bank's assets. The Western and Eastern Cape experiences periodic droughts, which has resulted in additional capital expenditure as to ensure that potable water and ablution facilities reman functional during times of drought.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure
This is the typical cost or loss that could be experienced from estimating loss of service to retail clients, decreased staff productivity and increased security measures.

Cost of response to risk

Description of response and explanation of cost calculation
This is the typical cost of upgrading water infrastructure and deploying low water use ablution facilities.

Comment
Please refer to the TCFD report for more detail.

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Opportunities exist, but none with the potential to have a substantive financial or strategic impact on business	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No	Evaluation in process	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization’s strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments
For Management:
A description of how the organization's strategy has been influenced by forests-related risks and opportunities:
Nedbank strategic focus was to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under
international agreements as committed from 2020.

The time horizon(s) covered by the strategy:
Starting in 2020 onwards.

A description of how forests-related risks and opportunities have influenced the organization's financial planning in at least one of the financial planning elements selected:
Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

For Leadership:
An example of a strategic decision that has been influenced by forests-related risks and opportunities:
Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

Details of forests-related public commitments that have been made by the company (e.g. to ensure portfolios are free from commodity-driven deforestation):
The following was stated in the publicly available TCFD report:
Nedbank strategic focus was to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under
international agreements as committed from 2020.

An example of a financial decision that has been influenced by forests-related risks and opportunities:
Pursue increased financing opportunities identified for sustainable forestry practices, including afforestation and reforestation as noted in the TCFD report.

Financial planning elements that have been influenced
Revenues
Assets
Liabilities

Description of influence on financial planning
Please refer to comments above and TCFD report.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
<Not Applicable>

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments
For Management:
A description of how the organization's strategy has been influenced by forests-related risks and opportunities:
Nedbank aims to direct a growing proportion of its funding to help transform the economy at a rate that is commensurate with UN Framework Convention on Climate Change (UNFCCC) objectives. Since the African continent is extremely vulnerable to the negative impacts of climate change, our response is to include both mitigation and adaptation components. These include provision of modern energy services, clean water and sanitation.
Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.

The time horizon(s) covered by the strategy:
Starting in 2021 onwards.

A description of how water-related risks and opportunities have influenced the organization's financial planning in at least one of the financial planning elements selected:
Nedbank offers financial solutions to the public sector as well as participants in the mining, commercial, industrial, and agricultural sectors. These solutions enable clients and society to access safe and affordable potable
water and adequate sanitation, and to enhance water use efficiency through water recycling, treatment, harvesting and reuse.
Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.

For Leadership:
An example of a strategic decision that has been influenced by forests-related risks and opportunities:
Align with the SDG target to improve water quality by 2030 by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater
and substantially increasing recycling and safe reuse globally.

Details of water-related public commitments that have been made by the company:
The following was stated in the publicly available TCFD report:
Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report.
Please refer to the TCFD report stating that Nedbank aligns with the SDG target to improve water quality by 2030 by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, etc.

An example of a financial decision that has been influenced by forests-related risks and opportunities:
Nedbank increased lending to R800 million for water projects in 2021 as noted in the TCFD report

Financial planning elements that have been influenced
Revenues

Description of influence on financial planning
Please refer to comments above and TCFD report.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
<Not Applicable>

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Nedbank conducted a scenario analysis focusing on an operational-risk-focused scenario. The scenario considered the likelihood of a natural disaster event in which the bank might, in part or in total, experience the loss of its property portfolio (ie its buildings, including contents) as a result. 'Building contents' includes furniture, office equipment, IT equipment, fixtures, etc, owned by Nedbank). Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

Water

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
Nedbank conducted a scenario analysis focusing on an operational-risk-focused scenario. The scenario considered the likelihood of a natural disaster event in which the bank might, in part or in total, experience the loss of its property portfolio (ie its buildings, including contents) as a result. 'Building contents' includes furniture, office equipment, IT equipment, fixtures, etc, owned by Nedbank). Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, and we do not plan to set targets in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water Security	No, but we plan to set targets within the next two years	Work is underway to enable a better understanding of associated water impacts across all our portfolios, as currently our water targets are related to our own operations, and our primary focus has been on thermal coal and fossil fuel impacts. The SEMS process however includes screening high-risk clients and deals through an independent social and environmental risk assessment. Example of a case studies: Climate-related risks are assessed and considered when granting credit, particularly in high-GHG emitting and climate vulnerable sectors such as mining, oil and gas, agriculture, real estate, water, and waste management.

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	Yes	<Not Applicable>

FW-FS3.4a

(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type
Corporate loans

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Water insecurity

Description of product(s)
During the 2021 financial year funding transactions to the value of R800m were completed. The majority of these transactions saw Nedbank funding utilised by a range of municipalities to optimise water and sanitation delivery to their citizens as well as to the agricultural sector, where recipients used the money to replace ageing and inefficient irrigation systems with improved technology.

Type of activity financed, invested in or insured
Sustainable agriculture
Water supply and sewer networks infrastructure
Water treatment infrastructure
Wastewater treatment infrastructure
Water resources and ecosystem protection

Portfolio value (unit currency – as specified in C0.4)
800000000

% of total portfolio value
0.1

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, but we plan to include this issue area within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan to include this issue area within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS3.6

(FW-FS3.6) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, but we plan within the next two years	<Not Applicable>	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan within the next two years	<Not Applicable>	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Clients – Water	Yes	<Not Applicable>
Investees – Forests	No, but we plan to within the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investees – Water	Yes	<Not Applicable>

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients
Clients of Banks

Issue area this engagement relates to
Water

Type of engagement
Education/information sharing

Details of engagement
Engage with clients on measuring exposure to water-related risk

Portfolio coverage of engagement
100

Rationale for the coverage of your engagement
Other, please specify (The provided Nedbank information, like information on how to calculate a water footprint, is available to all clients.)

Impact of engagement, including measures of success
The distribution of the information and the response to the available information is frequently used as measure of success.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to
Water

Type of engagement
Education/information sharing

Details of engagement
Engage with investees on measuring exposure to water-related risk

Investing (asset manager) portfolio coverage of engagement
100

Investing (asset owner) portfolio coverage of engagement
100

Rationale for the coverage of your engagement
Other, please specify (Target all clients)

Impact of engagement, including measures of success
The distribution of the information and the response to the available information is frequently used as measure of success.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	<Not Applicable>	<Not Applicable>	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Water	No, but we plan to within the next two years	<Not Applicable>	<Not Applicable>	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Yes	Please select	<Not Applicable>	<Not Applicable>

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Not assessed	<Not Applicable>	<Not Applicable>
Water	Not assessed	<Not Applicable>	<Not Applicable>

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Banking – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset manager) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (Asset owner) – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insurance underwriting – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Investing (asset manager) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset manager) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Investing (asset owner) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the rubber supply chain	Yes	No, and we do not plan to assess our portfolio's exposure in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.
Insuring companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	Nedbank has very limited exposure to clients or assets purely related to forests. Furthermore, water and forest related issues is seen as a subset of climate change considerations. and climate change considerations are currently being embedded.

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication
Forests

Publication
In mainstream reports

Status
Complete

Attach the document
2022 Nedbank Group Climate Report_.pdf

Page/Section reference
Page 34

Content elements
Financing and/or insurance of agricultural commodities

Comment
Nedbank has financed a broad range of sustainable agriculture projects and initiatives. Some of our recent financing and support activities include the following:
· Shade-netting finance — Our shade-netting finance offering is available for medium to large clients in the horticultural sector. In 2022, shade-netting finance deals totaling R43m were completed, with a further R280m of deals in various stages from being assessed to pending disbursement.
· Agrico — We have partnered with southern Africa's largest irrigation supplier, Agrico, to offer farmers alternative-financing options and solutions for new-technology irrigation equipment.

Focus of the Publication
Water Security

Publication
In mainstream reports

Status
Complete

Attach the document
2022 Nedbank Group Climate Report_.pdf

Page/Section reference
Page 62

Content elements
Strategy
Other, please specify (Water-related target)

Comment
A 40% water reduction by the end of 2025, based on 2019 levels. Equates to 152 900 kℓ or 8,00 kℓ per FTE, whichever is met first.
Achieved target:
The total water consumption of our campus sites decreased by 7,2% to 144 954 kℓ (2021: 156,261 kℓ) or 8,25 kℓ per FTE. This is a 43,1% decrease of the baseline set in 2019 of 254,801 kℓ. We continued with our commitment of water efficiency in our operations which led to us meeting the target consumption.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms